

The NATIONAL UNDERWRITER

The ANSWER to a VITAL QUESTION

If there were only one fire insurance company in the world, you would have no mental effort in selecting the best company to represent. But there are many companies and many necessities for intelligent selection.

Financial strength, age, successful operation, reputation for quickly fulfilling contracts, lines written, and willingness to help local agents with practical assistance are features which you should check over. Your future prosperity depends on this check.

The Boston and the Old Colony Insurance Companies invite you to check over these items. We know that our financial statements will stand your careful scrutiny. That our service is efficient. That our business policies are conservative. That the many lines we write are necessary for an agent's welfare. That our field men

are well trained and on the job. And that our Advertising and Sales Promotion Department is ready and eager to assist you in making more money this year.

If you are considering taking on a new company to strengthen your set-up, you would do well to study both the Boston and Old Colony. We are eager to have one of our field men call and answer your questions in detail. This call incurs no obligation and gives you the opportunity to base your decision on detailed facts, and to meet the type of men who represent us in the field. A letter or card is all that is necessary. Why not today?

B. L. Hewett, Manager

WESTERN DEPARTMENT

LANSING

MICHIGAN



BOSTON INSURANCE CO.

INCORPORATED 1873

BOSTON, MASSACHUSETTS

STATEMENT OF DECEMBER 31, 1938

As filed with Massachusetts Insurance Department

ASSETS	
Cash	\$ 1,257,769
U. S. Government Bonds	4,219,688
State, County and Municipal Bonds	1,116,458
Canadian Provincial and Municipal Bonds	89,784
Stocks of National Banks and Trust Companies	1,091,670
Railroad Bonds and Stocks	982,654
Public Utility Bonds and Stocks	1,814,668
Other Bonds and Stocks	11,614,651
Real Estate (Home Office Building)	1,050,000
Mortgages (first liens)	39,590
Premiums in Course of Collection	702,710
All Other Admitted Assets	214,415
	\$24,194,057
LIABILITIES	
Reserve for Losses in Process of Adjustment or in Suspense	\$ 965,985
Reserve for Losses Unreported	204,500
Unearned Premium Reserve	4,589,103
Reserve for Marine Lay-up Return Premiums, Outstanding Reinsurance, etc.	264,711
Reserve for Federal Taxes	53,500
Reserve for Dividends	270,000
Reserve for All Other Liabilities	912,133
CAPITAL	\$ 3,000,000
NET SURPLUS	13,934,125
SURPLUS TO POLICYHOLDERS	16,934,125
	\$24,194,057

On the basis of December 31, 1938 market quotations for all Bonds and Stocks owned, the total admitted Assets and Surplus would be increased by \$480,711.45.

OLD COLONY INSURANCE CO.

INCORPORATED 1906

BOSTON, MASSACHUSETTS

STATEMENT OF DECEMBER 31, 1938

As filed with Massachusetts Insurance Department

ASSETS	
Cash	\$ 419,238
U. S. Government Bonds	2,794,576
State, County and Municipal Bonds	881,068
Canadian Provincial and Municipal Bonds	59,860
Stocks of National Banks and Trust Companies	557,240
Railroad Bonds and Stocks	585,393
Public Utility Bonds and Stocks	1,340,564
Other Bonds and Stocks	2,858,435
Mortgages (first liens)	6,700
Premiums in course of Collection	235,317
All Other Admitted Assets	103,235
	\$9,841,626
LIABILITIES	
Reserve for Losses in Process of Adjustment or in Suspense	\$ 289,217
Reserve for Losses Unreported	58,600
Unearned Premium Reserve	1,626,399
Reserve for Marine Lay-up Return Premiums, Outstanding Reinsurance, etc.	71,019
Reserve for Federal Taxes	24,100
Reserve for Dividends	50,000
Reserve for All Other Liabilities	67,250
CAPITAL	\$1,000,000
NET SURPLUS	6,655,041
SURPLUS TO POLICYHOLDERS	7,655,041
	\$9,841,626

On the basis of December 31, 1938 market quotations for all Bonds and Stocks owned, the total admitted Assets and Surplus would be increased by \$337,960.75.

MICHIGAN AGENTS CONVENTION

ARE YOU CASHING IN ON THESE

Liberal Features?

THERE has never been a time like the present when so many liberal advantages were available to the Automobile policyholder.

To secure the full benefits of these liberalities, the producer needs the advantages of a company like The Travelers. Many forms of practical sales helps are available and, in addition, the personal services of thoroughly trained fieldmen

are ready to aid the producer when expert assistance is required for unusual or difficult cases.

Why not stress the liberal features emphasized below to prospects and policyholders. They make fine ammunition for the sale of Automobile insurance during the remaining months of the year. The Travelers can help you build a good Automobile account.

20% REDUCTION

for most business men, farmers, clergymen,—Pleasure only which includes driving to and from work.

25% REDUCTION

for not more than 7,500 miles in 12 months and not more than 2 drivers in the household both over 25 years of age.

SAFE DRIVER REWARD

15% Reduction in addition to above.

DRIVE OTHER CARS COVERAGE

(No extra cost.)

TRAILER COVERAGE

No extra cost for Camp and Utility trailers used with private passenger cars for pleasure purposes only.

LOSS OF USE

Reimbursement for Loss of Use up to \$5.00 per day in case of theft—See Fire and Theft Manual.

AUTOMOBILE MEDICAL BENEFITS

(Very reasonable extra cost.)

Travelers Courteous Continent-Wide Claim Service

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.



New Sales Helps

Sales are made by personal calls *but* . . . advertising folders sent to logical prospects prepare the way for your call and help you do a better selling job. Agents and brokers representing companies of the Fireman's Fund Group are urged to make use of these valuable sales helps.

Fire • Automobile • Marine



Casualty • Fidelity • Surety

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Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

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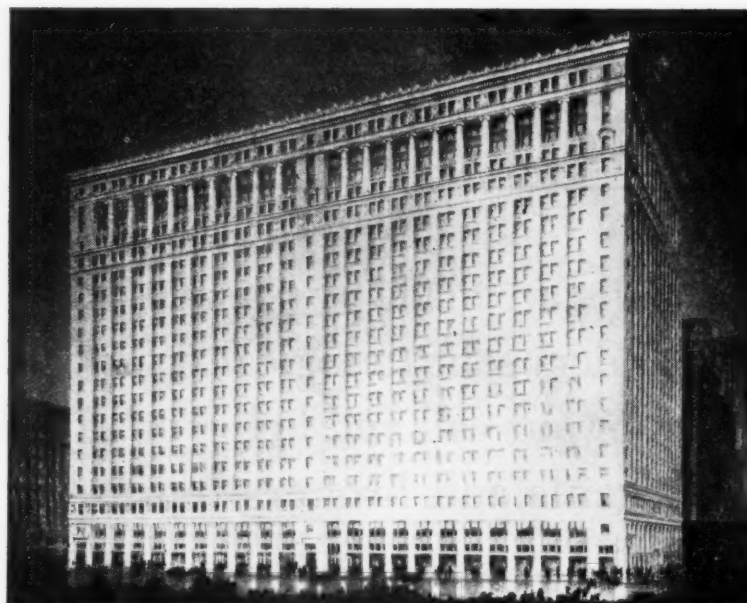


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LEADS ALL INSURANCE ADDRESSES

NOWHERE else in the country will you find such a great centralization of the insurance business and its allied lines in one area. More insurance dollars are brought into the Insurance Exchange than any other place. You get your share of these dollars when your office is located here.

At this season many leases are up for renewal. If your Chicago office is not now located in the



Insurance Exchange and your lease is expiring, let us explain why it will pay you to move your

insurance office to 175 West Jackson Boulevard, Chicago. Call or Write

R. C. Swanson, Manager

INSURANCE EXCHANGE BUILDING

175 WEST JACKSON BOULEVARD
CHICAGO

The NATIONAL UNDERWRITER

Forty-third Year—No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 21, 1939

\$4.00 Per Year, 20 Cents a Copy

Millers National Acquires Illinois Fire of Peoria

Old Company Is to Be Refinanced and Entered in All States

The purchase of the capital stock of Illinois Fire of Peoria by Millers National is officially announced, bringing together Illinois' two oldest fire insurance companies under the same management. The home office of Illinois Fire will be transferred to Chicago.

Plans as announced from Millers National headquarters are that Illinois Fire will be entered in practically every state, and will be developed as a distinct organization under its own name in conjunction with Millers National through the facilities of this company's national organization. Heretofore it has operated exclusively in middle western territory.

Plan Complete Refinancing

This announcement states that Illinois Fire will be completely refinanced, with capital structure materially increased, so that the company will be in excellent financial condition and thoroughly equipped to expand its operations. It is the plan, according to the new management, to make Illinois Fire one of the strongest fire insurance companies in financial organization.

The underwriting facilities of Illinois Fire will be broadened to include the writing of inland marine and automobile as well as various miscellaneous fire coverages, which this company had not been writing heretofore. Increased lines will be written because of the additional reinsurance facilities which Illinois Fire will enjoy through Millers National.

The complete facilities of Millers National's business promotion department will be at the disposal of Illinois Fire agents, and altogether this company will be operated along the same lines as Millers National.

Cremer Family in Charge

Since its inception in 1876, the operations of Illinois Fire had been continuously directed by members of the Cremer family, a well-known Peoria family, who for years have been prominent in local banking and publishing circles as well as in the affairs of the insurance company. Bernard Cremer, the founder, served as president from 1883 until 1918, and Mathias Cremer from 1918 to 1938. Adolph Cremer, retiring president, is the sole survivor of the four brothers who founded the company. Other officers at the time of the purchase were Robert Zimmerman, vice-president; Henry F. Tuerk, vice-president and secretary, and F. W. Koetter, treasurer.

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Historical Sketch of the Western Underwriters

WHITE SULPHUR SPRINGS, W. VAN.—S. M. Buck of Chicago, western manager of the Great American, who is president of the Western Underwriters Association, in his address at the opening session of its semi-annual meeting, diverged from the usual course pursued by the presiding officer and in view of the 60 years service of the organization gave some historical features of interest. The association was launched at its first annual meeting held in the old Grand Pacific Hotel, Chicago, Sept. 22, 1879, after preliminary conferences in Cincinnati and Chicago in May and June of the same year. It has the distinction, he said, of being the first successful effort of self-government in fire insurance on a sensible basis. Its original field of operation was "the heart of the Louisiana purchase and the whole of the northwest territory comprising 19 states and territories from Ohio to the Rocky Mountains including Kentucky and Tennessee except in the cities of Chicago, Cincinnati, Cleveland, Louisville and St. Louis." Thus the "excepted cities" were set apart at the same time.

Purpose of the Organization

The speaker said that it was organized for the simple and declared purpose of "promoting reforms in underwriting." The quick success of the old Western Union, the predecessor of the Western Underwriters Association, encouraged the creation of similar regional organizations in other parts, such as the South-eastern Tariff Association, the New England Fire Insurance Exchange, the Underwriters Association of the Middle Department, the Underwriters Association of New York State, the Underwriters Commission Association of the East, which later became the Eastern Union.

The National Board, organized in 1866, found it necessary to relinquish jurisdiction over rates and commissions in 1877. It had endeavored for 11 years to bring about self-regulation on a national scale. There were 41 companies that signed the original compact of the Western Union at the preliminary meeting in June. These were increased to 89 at the end of the year. They had assets \$93,617,000 and premium income that year amounted to \$28,249,000. The present membership is 252 companies, which have assets \$1,787,620,000, and annual premiums \$575,300,000. Thirty-one companies have been continuously affiliated with the organization since the beginning. The premiums of these 31 companies in 1879 were 8.29 of the net premiums written in 1938. Policyholders surplus was 6.81 of the current aggregate figures. The assets were 6.74.

Two Sons of Founding Fathers

Mr. Buck stated that there can be speculation as to whether companies could have done better operating independently, nevertheless he made the statement that the record is an enviable one and bears abundant testimony in favor of adherence to sound practices as they have been determined in associated experience and judgment through organization.

There are two sons of founding fathers. President R. M. Bissell, Hartford

Fire, for many years an active member of the Western Union, now an honorary member, is the son of G. F. Bissell, western manager of the Hartford Fire in his day, and the second president of the Western Union. John C. Harding, western manager Springfield F. & M., is the son of the late A. J. Harding, the 9th president. John C. Harding himself was the 26th president and is the first and only son to follow his father into the presidency.

Mr. Buck referred to the Western Insurance Bureau, formed in 1911 and the establishment of the conference agreement in 1912, permitting the two groups to work together until 1923, when it was abrogated. Dissension arose largely over the question of commissions and was continuous until the end of 1929, when the name of the Western Union was changed to the Western Underwriters Association and 35 of the Western Insurance Bureau companies were admitted to membership.

First Concern of the Organization

The first concern of the Western Union was a regulation of rates and commissions and the original machinery was quite simple. There were five standing committees in 1880. Today there are 16 standing and special committees. The governing committee, the most important one today, was created on the recommendation of a committee of 20 whose reports were submitted at the St. Louis meeting in 1899 to replace the four local board commissions and improved risk commission, which had supervision over rates and commissions about 15 years. The governing committee once held 48 meetings within a six months period. It is held in the highest esteem by all members, he added.

President Buck referred to the Dean schedule, the work of the originator, A. F. Dean, for many years assistant western manager of the Springfield F. & M., and later its manager. This is now used in 22 states and its principles are followed in almost every state. The average rate in W. U. A. territory, he said, has declined from 1.36 in 1896 to .64 in 1938, or 53 percent.

Audit Bureau System

He referred to the audit bureaus plan used in all sections originating in W. U. A. territory. He also paid tribute to the inspection bureau managers.

The committee on fire protection engineering was established in 1893 with H. C. Eddy, Commercial Union, as chairman. It is one of the oldest of the current standing committees. The Underwriters Laboratories was established Aug. 1, 1894, under the direction of the late W. H. Merrill. It was originally sponsored jointly by the Western Union committee on fire protection engineering and the Chicago Fire Underwriters Association.

President Buck said it remained for the second and third generations to project what is now called public relations. One of the most potent committees today is the public relations committee. The department of publicity and education was established by the governing committee in 1911, when the late O. B.

(CONTINUED ON PAGE 50)

Large Attendance at Sixtieth Jubilee Anniversary Muster

Western Underwriters Celebrates Its Achievements of Moment

By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS—The 60th year of the Western Underwriters Association, rich in memories of men and accomplishments, was properly celebrated this week by an unprecedented attendance at the semi-annual meeting.

Companies responded to the suggestion that more juniors be asked to attend so that they might absorb more of the spirit of the organization, glory in its history and have an abiding faith in its future. Companies that may have had one man from the second line brought two or three. The anniversary atmosphere overshadowed the business activities. It was a day for taking inventory, summing up and measuring the momentum of the old institution.

President Buck's Report

S. M. Buck, Chicago, western manager Great American, as president of the Western Underwriters Association, read the historical review at the first session in view of the 60th anniversary meeting. In addition he presented a report saying that the W. U. A. has continued its study of the liabilities, premiums, average rate and loss ratio. Inasmuch as it has been impossible to obtain full information from some states, a comparison is made with seven whereas last year 12 were included.

In 1930, in Illinois, Iowa, Minnesota, Nebraska, North Dakota, Oklahoma and Wisconsin, stock companies, excluding specialty automobile companies produced \$138,227,000 in premiums with a loss ratio of 54.41. In 1938 the figure was \$94,472,288 with a loss ratio of 42.49. The liabilities relating to fire only in 1930 were \$10,433,000,000 and in 1938 \$9,090,000,000. Fire premiums only in the same field in 1930 were \$91,715,000 and in 1938 \$60,311,000, a decrease of 34.22 percent. The average fire rate in 1930 was 88 cents and last year 66 cents or 25 percent less.

Conferred with Finance People

Mr. Buck declared that the unknown factor is the average term of liabilities assumed.

In conference with a leading finance company executive it was found that its business in 1935 aggregated \$3,000,000, 40 percent of which was loaned on term policies and in 1938, its business was \$20,000,000 with 80 percent on term policies. The largest percentage seemed to be on five year term. It is consistently converting three year term to five.

Along with this record there is a con-

(CONTINUED ON PAGE 14)

Bank Financing Big Factor to Finance Men

Issue Dominates Discussion
at Sales Finance
Convention in N. Y.

NEW YORK—Competition of banks in financing installment accounts was the absorbing topic of interest at the convention of the National Association of Sales Finance Companies here. The subject emerged and was animatedly discussed at all of the sessions.

While the aggressiveness of banks was not underestimated, and the expectation that this form of competition will continue; some of the speakers asserted that banks had entered the installment financing field because of lack of demand for funds for investment in general commercial enterprises and that should the call for usual banking facilities increase with returning prosperity, many banks would either withdraw wholly or in part from installment financing.

Installment financing, the speakers asserted, is a specialty field requiring years of experience, and the equipment of the average bank is inadequate.

Interest Rate in California

The interest rate charged by banks for automobile purchase loans in California, it was stated, ranged from 3 percent to 9 percent, some banking concerns holding they could afford to handle the line at a low figure in that it meant little or no increase in their general overhead. To meet the bank competition finance companies were urged to point out to car dealers the ability of finance institutions to make advances for car repairs to their customers, and so not only maintain constant contact with the latter but also to sell him accessories of different kinds, and, at intervals, new cars.

One of the speakers, resenting the activity of insurance agents in arranging bank loans for prospective or actual car owners, and then handling insurance upon the automobile, proposed the finance companies create insurance company subsidiaries.

Another count against banks lodged by the finance men was that the former had no particular concern in following the accident record of motorists to whom loans had been made, whereas the finance institutions check the accident frequency of their customers, and seek to eliminate the reckless driver from any further accommodation.

National banks in cities beyond a given population, it was declared, are not permitted to handle insurance in connection with their banking activities, nor does the law allow any officer of an institution to make a commission on an insurance transaction. This regulation, however, does not apply to state banks, a number of which have insurance writing connections.

Mays Leads Discussion

Finance company insurance was considered at a divisional session. The open discussion was presided over by W. S. Mays, president of W. S. Mays & Co., of New York, an organization that has specialized in handling automobile finance insurance.

According to Mr. Mays, a group of four large fire companies writing more than 75 percent of the total financed automobile business of the country, ex-

(CONTINUED ON PAGE 51)

Detailed Information on War Risk Cover Is Released

With the European war causing war risk cover to be much in demand, companies have found it necessary to disseminate detailed information about it. Typical is that released by P. J. Leen, superintendent marine division western department Fireman's Fund, Chicago.

War risk insurance should be written under an open war risk policy covering all of an assured's shipments. These contracts are subject to 48 hours (written or telegraphic) notice of cancellation. Issuance of such policies is usually limited to those who have marine policies in the particular company and it is only in exceptional cases that open war risk contracts will be issued to assured whose ocean marine insurance is placed abroad or with other underwriters.

Information required on special shipments of assureds who do not have open policies is as follows: (a) Name of the assured; (b) total value to be covered on the vessel for the assured; (c) if requested, to cover the full value on the vessel for the assured; (d) accurate description of the commodity; (e) name of the vessel and its sailing date; (f) voyage, port of sailing and port of destination, route between them; (g) what terms are wanted under the marine cover; (h) how is the shipment packed; (i) will it be loaded on deck or under deck; (j) the full story if the assured does not want marine insurance.

Exclude "Risk of British Capture"

"The risk of British capture" (meaning capture or taking of the vessel and cargo by the British fleet or any of its allies) is excluded on shipments to and from the United Kingdom, Europe and the Mediterranean. No risks are being written on shipments to or from Danzig or Poland or by German vessels. The ban on Italian ships has been lifted, temporarily at least.

Under an open war risk import policy the rates in effect on the date of the sailing of the overseas steamer are charged on all shipments. There is no advantage in obtaining prior quotations as rates may change before the steamer sails. It may be difficult for an assured

to figure costs on goods bought this way but there is no help for it at the present time.

The problem of increased values is continually arising on imports as prices are going up and many a shipment may increase in value considerably while en route. The most troublesome situation is where the marine insurance has been placed abroad by the shipper and the importer in this country wants to cover the increase in value for marine and either the increase or the full present day value for war. Most companies are willing to consider such risks of special shipments where conditions are favorable but most commitments will not be permitted over more than a 15 percent increase on any one shipment and all required data must be secured.

Increased Values Cover

Cover on increased values can be added to open policies (both marine and war risk) and values can be declared under them as follows:

(a) The original binder can be effected at: (1) Market value at destination on date of sailing, or (2) invoice plus all charges with 15 percent added.

(b) Should value increase during the voyage an additional percent (on either (1) or (2) above) can be covered on application, rate for this cover to be the current rate on date of acceptance.

Export shipments are subject to acceptance the same day by the insured and it is warranted that there can be no cancellation unless the goods are not shipped.

Binding Requirements

Specific rates are named on shipments sailing within seven days or risks can be bound if sailing within seven days at current rates on date of sailing. Should a risk be bound and the steamer not sail within seven days, it is held covered only on the same steamer for an additional period of ten days but the rate must be the current rate on the date steamer sails. Should sailing be postponed beyond this additional ten day period a new application must be made.

(CONTINUED ON PAGE 51)

Palmer Releases Study of Costs in Chicago

Commissions, Allowances
Exceed by 3.47% Chicago
Board Permissible

Insurance Director Palmer of Illinois has made public this week the results of a survey that was conducted earlier this year on the production cost of fire, wind and extended coverage insurance written by stock companies in Chicago and Cook county during 1938. Previously Mr. Palmer had summoned representatives of the Chicago Board and Illinois Inspection Bureau to attend a conference at Springfield, Sept. 27. It is understood that Mr. Palmer at that time will initiate a request for a further rate reduction in the dwelling class and it seems likely that he will inject the commission and production cost issue into the conversation. Mr. Palmer has released a letter that he has written to J. S. Glidden, manager Chicago Board, in submitting the summary of the results of the survey. A copy of the letter and of the survey has been transmitted by the Chicago Board to Class 1 members.

Reason for the Request

"The data was requested," Mr. Palmer stated in the letter, "in order that this department might better determine the reasonableness of rules and regulations which affect or determine the price which policyholders pay for fire insurance as filed by licensed rating organizations. At the time the license was issued to you certain rules and regulations were submitted. This department withheld approval of these rules pending investigation and study to determine their reasonableness. Such investigation shows that modifications and revisions of those rules are necessary and this department will in the near future submit recommendations for such modifications and revisions to your organization."

In the final analysis, the survey shows the commissions, allowances and contingent commissions of all stock companies was 33.1 percent. This compares with 29.63 percent which would have been paid had the Chicago Board rules been followed to the letter. The countrywide administration expense of all companies was 17.89 percent, exclusive of taxes amounting to about 4.5 percent. The total of commissions, etc., and administrative expense, exclusive of taxes was 50.99 percent for all companies.

Western Underwriters Association companies had commissions, etc., of 33.15 percent, as compared with the Chicago Board permissible of 30.02. W. I. B. companies had 32.95, permissible 26.05; non-affiliated 31.95, permissible 29.94.

Breakdown for W. U. A. Group

There is a breakdown for the W. U. A. companies that wrote 80.63 percent of all premiums. The total commissions and allowances of these companies to Cook county suburban agents was 22.61 percent; housed brokers, 21.5 percent; other brokers, 21.25 percent; home office, employees and miscellaneous, 19.75 percent. These were the costs where the companies wrote the policies.

Where the policies were written by Chicago metropolitan supervising agents, the total cost was 37.07; total cost of policies written by Cook county suburban agents was 24.39. The commission average of W. U. A. companies was 33.15 percent, whereas the commission

(CONTINUED ON LAST PAGE)

THIS WEEK IN INSURANCE

Western Underwriters Association holds its semi-annual meeting at White Sulphur Springs, W. Va. **Page 3**

President S. M. Buck of the Western Underwriters Association, in his address gave an historical sketch of the Western Underwriters Association on its 60th anniversary. **Page 3**

Announcement is made that Millers National of Chicago has acquired the capital stock of Illinois Fire of Peoria. **Page 3**

Insurance Director Palmer of Illinois releases the result of questionnaire on cost of producing business in Chicago and Cook county. **Page 4**

Colorado Association of Insurance Agents demands contingent commissions at stormy annual meeting. **Page 5**

Harold Warner, U. S. manager of Royal-Liverpool, issues a statement to agents, analyzing the position of the United States branches of foreign insurance companies. **Page 6**

The issue of bank competition in the installment financing field dominates the discussions at the meeting of the National Association of Sales Finance Companies in New York. **Page 4**

Pennsylvania local agents, at annual meeting, decide to put commission question up to legislature if negotiations fail. **Page 5**

Program of convention of Ohio Association of Insurance Agents at Dayton, Oct. 16-18, announced. **Page 8**

Harold P. Janisch of the Associated Agents & Brokers of Boston has been added to the program of the National Association of Insurance Agents annual meeting in Boston. **Page 5**

Prof. F. G. Dickinson, University of Illinois, will be the banquet speaker at the 60th jubilee celebration of the Western Underwriters Association at White Sulphur Springs. **Page 6**

National Association of Mutual Insurance Agents is holding its meeting this week in Buffalo. **Page 16**

The annual meeting of the mutual organizations, including National Association of Mutual Insurance Companies, and Mutual Insurance Advertising-Sales Conference, will be held Oct. 2-4 at the Stevens Hotel, Chicago. **Page 10**

Insurance Commissioner H. J. Mortenson of Wisconsin has purchased a home at New Lisbon, Wis., and will live there, as he is leaving the insurance department. **Page 6**

Superintendent Pink of New York announces his finding that the \$40,000,000 trust fund created in this country by London Lloyds for the benefit of American policyholders is primarily a banking transaction and calls for no action from the insurance department. **Page 25**

Reciprocals attacked on basis of recent court decisions at meeting of Pennsylvania Association of Insurance Agents. **Page 25**

President J. R. Plummer of the Commercial Standard speaks on agency service at the meeting of the Colorado Association of Insurance Agents. **Page 37**

Public relations is first task facing private enterprise. General Manager Fairchild of Association of Casualty & Surety Executives tells Minnesota Insurance Federation at St. Paul silver anniversary meeting. **Page 26**

Vice-president J. W. Randall of the Travelers speaks before Pennsylvania local agents on the retrospective rating plan. **Page 25**

President Denman Kountze of the National Security of Omaha joins John K. Morrison in general agency work at Omaha. **Page 45**

Insurance Federation of Minnesota observes silver anniversary at meeting in St. Paul. **Page 27**

Pennsylvania Agents to Put Commissions Up to Legislature

Seen as Last Resort If Negotiations Fail to Get Action

OFFICERS ELECTED

President—Harry M. Albert, Stroudsburg.

Vice-presidents—W. R. Thomas, Pittsburgh, and J. F. Morgan, Lewis-town.

Treasurer—C. M. Thumma, Harrisburg.

Secretary-manager—Frank D. Moses, Harrisburg.

By ROBERT B. MITCHELL

Definite action on the commission situation in Pennsylvania, for some years a bone of contention between agents in "ordinary" territory and the companies, now looms much closer as the result of sentiment which crystallized into a resolution at the annual meeting of the Pennsylvania Association of Insurance Agents last week at Wernersville.

Nothing hasty is contemplated, but the diplomatically worded resolution is, in effect, an ultimatum that unless the conferences which have been held produce definite results by the time the next legislative session gets under way in 1941 the association is going to seek by statute what it has been unsuccessful in getting by negotiation. Threat of legislative action has been postponed as long as possible, as not even the most strenuous advocates of the association's cause feel that legislation is the way to handle the situation.

"Ordinary" vs. "Excepted"

The Pennsylvania situation, briefly, is that the agents in "ordinary" territory feel that their commissions do not compare equitably with those received by agents in "excepted" territory, which includes Philadelphia, Philadelphia suburban, and Allegheny county, in which Pittsburgh is located. Commissions in ordinary territory are 20 percent and no contingent. In excepted territory they used to be 20, 25, and 30 percent plus contingent but have been raised from time to time so that they are now 30, 35, and 40 percent plus contingent. Agents in ordinary territory feel that this is too great a differential.

The ordinary territory agents are not asking that their commissions be raised to the level of excepted territory commissions but they feel that adjustments should be made to bring the two types of territory closer together. One well informed source said that the old basis, plus a contingent for ordinary territory, would probably represent a pretty equitable differential. This is due in considerable measure to the fact that rates in ordinary territory run enough higher so that for a given face amount of insurance in force the agent in that territory gets more commission than the agent in excepted territory.

"Social Consciousness"

While agents in ordinary territory are naturally interested in increasing their earnings, it was quite evident at Wernersville that there has been what is sometimes resoundingly referred to as an emergence of social consciousness—meaning, in this case, that a mere selfish struggle for higher commissions may be extremely poor strategy, since by raising costs it tends to play into the hands of

(CONTINUED ON PAGE 38)

Janisch Is a Speaker at the Boston Convention

H. P. Janisch, general manager of the Associated Insurance Agents & Brokers of Boston,

will have a place on the program at the Boston convention of the National Association of Insurance Agents. Mr. Janisch's organization was established by interests affiliated with the Service Men's Protective Association. He will follow General Manager W. E. Mallalieu of the National Board on the program.



H. P. Janisch

The subject assigned to Mr. Janisch is "The Cooperative Movement," and it is understood that he will apply his subject particularly to the problems of agents and brokers, and that he will discuss in detail the various methods by which the direct-selling company raids the business of the agent and broker. Mr. Janisch will attack the policies sold by most direct-writers from an entirely new viewpoint, giving arguments never before presented to agents and brokers with which to meet this competition. It is understood that Mr. Janisch will support his arguments from the most authoritative sources, and will give the agent and broker sales arguments of a most conclusive character against this form of competition.

Mr. Janisch will also discuss the cooperative movement as it has spread from the insurance business in which it started, to various other businesses. He will illustrate how it is undermining the general economic and political structure of the country. He will define the activities of the new association with which he is associated and its relation to the agent and broker and their employees, and urge insurance buyers to come to the defense of the profit motive in all business—their own business as well as the insurance business.

The rural agents committee will hold a conference Wednesday morning, Oct. 4, along with conferences of several other committees. R. W. Forshay of

I. A. C. Group Session Setup Announced

D. C. Gibson, vice-president Maryland Casualty, who is program chairman for the annual meeting of the Insurance Advertising Conference, which will be held at the Hotel Statler, Boston, Oct. 1-3, announces that the theme of the group sessions, in which all members will take part, is "Tomorrow's Insurance Advertising and Sales Promotion."

D. J. Murphey, Metropolitan Life, and C. W. Smitheman, Camden Fire, co-chairmen of the group sessions, are signing up representatives from life, fire and casualty companies to act as discussion leaders on national advertising, direct mail advertising, radio and television, personal salesmanship and insurance papers. The group sessions will have four life, four fire, four casualty and three trade paper men participating, with questions from the floor following presentation of each subject. Those sessions will be held both morning and afternoon, Oct. 2 and Oct. 3.

Outstanding leaders in the advertising world will speak at the Monday and Tuesday luncheons and at the dinner Monday night. It is expected that many insurance company executives and agents, in town for the convention of the National Association of Insurance Agents, will attend the dinner Monday night. Members of the Advertising Club of Boston have also been invited to the luncheon meetings.

The convention will officially open Sunday evening, Oct. 1, with an executive committee meeting at 7 p. m., followed by an informal discussion for I. A. C. members at 8 p. m. Business meetings will open the program on Monday and Tuesday, with the balance of the program being devoted to practical discussions of insurance advertising problems.

Anita, Ia., chairman, will preside.

The fire prevention conference will be attended by Percy Bugbee of Boston, managing director National Fire Protection Association. He will be prepared to answer questions. The accident prevention committee will be attended by Harold F. Hammond, director of the traffic division of the National Conservation Bureau.

Stormy Session Is Held by Colorado Agents Association

Demand 15% Contingent Commission—Oppose Underwriters Annexes

NEW OFFICERS ELECTED

President—D. U. Hampton, Colorado Springs.

First Vice-president—Harold O. Wilber, Denver.

Second Vice-president—W. H. Howard, Pueblo.

Treasurer—Floyd Padgett, Colorado Springs.

Secretary—Frank England, Jr., Denver.

DENVER—In one of the stormiest sessions in years, the Colorado Association of Insurance Agents at its annual meeting passed a series of strong resolutions demanding a 15 percent contingent commission and various other changes from the companies. The meeting was marked by spirited discussions on controversial subjects and by a note of increased strength in determination to achieve association ends. D. U. Hampton of Colorado Springs was elected president.



D. U. Hampton

The first resolution urged the retirement of underwriters annexes. The resolution held that "there are sufficient companies operating in this territory to service all legitimate agency representation and the needs of the insuring public" and that

(CONTINUED ON PAGE 40)

WESTERN UNDERWRITERS THREE GRACES



HARRY W. CHESLEY



EDWARD H. BORN



WALLACE RODGERS

The three assistant managers of the Western Underwriters Association at the Chicago executive office constitute the first line of defense for Manager C. F. Thomas. They are active men, very useful to the organization and at meetings they are at hand to add anything they can to the knowledge of the members. H. W. Chesley is the senior in

point of service. He has charge of the transportation to and from annual and semi-annual meetings and handles their mechanics. He checks all complaints, looks after the "Bulletin" and is a general all-round man. He acts as secretary of the Western Hail & Adjustment Association. E. H. Born is the underwriting assistant manager. He deals with rates

and rules, underwriting problems. He is also executive secretary of the Farm Underwriters Association and the Western Conference of Special Risk Underwriters. Wallace Rodgers, trained in the office and field, gives his entire attention to public relations and the Business Development work. The three men have the entire confidence of the membership.

Looking Ahead at Scene as Presented in 1940's

WHITE SULPHUR SPRINGS, W. VA.—At the 60th anniversary gathering of the Western Underwriters Association, Prof. F. G. Dickinson, associate professor of economics University of Illinois, spoke at the banquet presided over by S. M. Buck, vice-president of the Great American, who is president of the Western Underwriters Association. Professor Dickinson's talk was based on the general theme, "Insurance Looks at the 1940's." He said that he was mindful of the fact that the W. U. A. sponsored the Dean analytic system, which has enabled careful building owners to enjoy lower premium rates as one of the beneficial results of reducing fire hazards. Through educational work, scholarships have been awarded to promising young men and the American agency system has been kept aware of its opportunities and obligations. Attempts all along have been made to establish and maintain ethical standards.

Hard on Ethical Standards

He agreed that the 1930's have been hard on ethical standards in business. Professor Dickinson said when as an insurance teacher he is asked to indicate the relative sizes of the fire, casualty and life branches of insurance his reply is another question, "What is your measure of business?" Life premiums, he said, exceed fire and casualty combined because of the investment element. But in the net amount at risk insurance is primarily a risk bearing institution. The fire business, he said, is much larger than the life on that basis.

Professor Dickinson, in his discourse, treated only four major trends. These, he said, have affected insurance during the decade now ending and will condition the insurance business and, indeed, all other lines during the 1940's. First, he said, "Our population is aging and is growing too slowly to be maintained." Secondly, "Increasingly our wealth is in our homes and not in our factories." Next, "Disturbed long half century economic cycles may have hit bottom during the 1930's. If not, they should hit bottom in the 1940's," and lastly, "Government control over business is approaching its peak if that peak has not been passed already."

The speaker said it always happens that every major war produces a post-war boom similar to the gilded 1920's of recent memory. This particular boom grew out of the war time suppression of the demand for new automobiles, homes and hard roads. This demand to the price recession of 1921 brought about a tremendous expansion in road and home building and in automobile production.

Professor Dickinson asserted the present two party system has come through many crises in the past but he cannot see how it can survive this trouble between the generations. The power to tax will be used more and more as a method of redistributing produced income but the police powers of the government will not be used so much as now for the purpose of regimenting industry. The new deal, he said, has undoubtedly given the pension leaders some ideas on both subjects. Some of the pension leaders do not want to hamstring industry and business if sufficient pension taxes are paid. These pension leaders will be satisfied for the pension movement is not a producer's movement.

Conclusions Reached

In reaching his conclusion, Professor Dickinson said:

"First, we see that our population growth in the coming decade will be negligible. You insurance executives should lessen the pressure for premium volume. The old rate of economic expansion should be forgotten. Your agents should concentrate on service to their policyholders and pay less attention to premium volume; they should

push supplemental coverages and allied lines; perhaps they should have more rating and adjusting duties. If the American agency system is destroyed, the volume pressure executives will be the executioners. That is a rather strong statement and you may object to it because I am looking at the fire insurance business as an entity, whereas each of you guides the destinies of a particular company. Even though general business conditions in the 1940's turn out better than in the 1930's, I seriously doubt that new buildings and equipment, which will increase the amount at risk, will much more than offset the probable decreases in premium rates. In fact, lower prices and lower costs are likely to be the mainsprings of the prosperous years ahead. In speaking of decades, I do not infer that some years will not be more prosperous than others.

Another Prediction Made

"Second, we can foresee that primary school buildings will be converted into homes for our senior citizens, for there will not be enough school children to fill the present school buildings. It is difficult to see how dairymen and milk distributors can keep out of the red in the coming decade. Raising the price of milk sometimes only makes a bad situation worse. Insurance agents can expect to insure more rocking chairs, especially in the sunshine cities, but few cattle barns. Only the southeastern states will enjoy a high birth rate although this surplus may be fleeting because many young people will migrate to other parts of the nation. The demand for clever new products will continue to expand, but there will be slow markets for foodstuffs and other products that depend upon the per capita consumption.

"Third, increasingly our wealth will be in our homes and not in our factories. Agents should expect to derive more and more premiums from coverage of the so-called comfort goods, although many of these goods are public rather than private property.

Reached Bottom in 1930's

"Fourth, Long Cycle III largely explains the depressed 1930's. If the leading nations have now found a new basis for dividing the economic and political power or have learned to live alone and like it, the downswing of Long Cycle III touched bottom in the 1930's. There are good reasons for expecting the average level of business activity in the coming decade to be about half-way between the low levels of the 1930's and the high levels of the 1920's. The rate of interest in the past has followed the swings of the three long cycles.

"Fifth, the pension group will increasingly dominate our political parties. Our nation will become more age conscious and less class conscious. The effects of pensions upon the annuity departments of life insurance companies will be very noticeable. The T N E C investigation of insurance has failed to unearth any startling scandals. I have been informed that one of the original purposes of this investigation was to put the United States postoffices in the legal reserve life insurance business, thereby rerouting the flow of premium from New York City, Hartford and Philadelphia to the United States Treasury where a few billion dollars could be used annually to sterilize the national debt. The amendments to the social security act practically eliminated the reserve idea and also decided that the United States postoffices should not engage in the legal reserve life insurance business.

"A second purpose of the investigation was to prepare the public for organizing mutual savings banks and putting these banks into the legal reserve life insurance business, with the hope of decentralizing and keeping at home the

Morvin Duel Named Wisconsin Commissioner



H. J. MORTENSEN

MADISON, WIS.—Morvin Duel of Fond du Lac resigned Wednesday morning as state senator, was appointed as insurance commissioner by Gov. Heil and was unanimously confirmed by the legislature. His term runs until June 30, 1943. That he would be appointed has been generally known since June, but when the appointment would be made has been uncertain. The legislature is scheduled to adjourn this week.

Mr. Duel was born in 1888. He taught school at Fond du Lac and later served as county superintendent of schools in Winnebago county. He has been operating a real estate and insurance office in Fond du Lac and was serving his second term in the senate.

Anticipating the end of his services as Wisconsin commissioner, H. J. Mortensen has purchased a home at New Lisbon, Wis., some 80 miles north of Madison and for the past few weeks has been commuting to the capital. Mr. Mortensen will be connected with the New Lisbon State Bank, which has a substantial fire and casualty insurance department.

large investment of funds now concentrated in the hands of a few large eastern life companies.

"Of course, the funds of mutual savings banks are private, not government funds; furthermore, no student of business history would contend that by 1939 we had circumscribed all the possible forms of business organization. Few savings banks and life insurance companies domiciled in Massachusetts have gone into the hands of receivers. Why has not the home market idea made more of the local life insurance companies in the west and south into great companies?

"Sixth, and last, what does our picture show about federal control of insurance during the 1940's? To a mere layman the broad construction placed upon the interstate commerce clause of the federal constitution by the United States supreme court in the Wagner national labor relations act cases have already conferred upon Congress the power to establish federal workmen's compensation laws covering all workers engaged in interstate commerce. Whatever these court decisions may hold for the future of casualty insurance companies in the 1940's, I can see in them and in other trends no basis for federal control of the fire insurance business. Your would-be prophet hesitates at this point to ask two questions. When you are disgusted with dealing with 48 state insurance departments, do you think about the banks and the railroads before and after they secured uniformity? Will federal control be uniformly good or uniformly bad? Uniformity has neither vice nor virtue."

Warner Analyzes the Position of U. S. Branches

Cites Independence of American Funds and Control That Is Exercised

Harold Warner, U. S. manager of Royal-Liverpool, has addressed a formal letter to agents on the status of the U. S. branches of foreign companies in the light of the European situation.

"During the tension which has so long prevailed in connection with the European situation, we have received some inquiries as to what the position of British insurance companies would be in the event of war," Mr. Warner states. "These inquiries have been few in number, and it is undoubtedly true that agents and the insuring public are continuing to have full confidence in the soundness of companies comprising the Royal-Liverpool groups and British fire insurance companies generally, and this confidence is fully justified by the long and honorable record of these institutions not only in America but worldwide. In anticipation of possible further inquiries we are taking this opportunity to explain the status of British fire insurance companies doing business here.

"It is apparent that almost invariably the inquiries referred to have arisen through the agent or policyholder having a misconception of the position, the inquirer generally being under the impression that premiums are remitted to England and funds received therefrom with which to pay losses, and that as a consequence difficulties might be encountered in financing losses should a state of war exist. This idea, however, is entirely erroneous.

Equivalent to Domestic Company

"The United States branches of foreign fire insurance companies are for all practical purposes domestic American insurance companies in respect of their legal obligations.

"Express provision is made in the insurance laws of the states to permit the licensing of the United States branches of foreign insurance companies, and when duly licensed they are subject to supervision and regulations no less stringent than those applying to American companies. They are, in substance, domestic companies and are placed upon a plane of practical equality of rights and obligations with American corporations. United States branches of the companies comprising the Royal-Liverpool groups have operated here continuously for many years, and through wars, depressions, conflagrations and other catastrophes occurring during that period, every obligation has been honorably discharged.

"These United States branches of admitted companies must each have its own independent deposit-capital (equal to the capital requirements for the organization of a similar American stock insurance company), and in addition they maintain other large deposits for the sole protection of their policyholders and creditors in the United States. These deposits are all held in America and consist almost entirely of U. S. A. investments and cash in American banks. A very large percentage of the deposits and other assets of the companies of the Royal-Liverpool groups are in United States government bonds. Foreign policyholders and creditors—and this equally holds good as regards foreign governments—cannot resort to such deposits until all American claims have been satisfied. The investment of

(CONTINUED ON PAGE 10)



Greetings To Members Of The N. A. I. A.

WHEN in New England, attending the 44th annual Convention of the National Association of Insurance Agents at Boston, you are cordially invited to visit the home office of the Aetna Life Affiliated Companies in Hartford, the insurance city.

You are also invited to visit the Aetna Laboratory for Living located in the Business Systems and Insurance Building, in the shadow of the Perisphere and Trylon at the New York World's Fair.



THE AETNA LIFE INSURANCE COMPANY
THE AETNA CASUALTY AND SURETY COMPANY
THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY
OF HARTFORD, CONNECTICUT

Program for Ohio Agents Announced

Lelli, Bond, Pink and Hall Among Outside Speakers at Dayton Meeting

COLUMBUS — The program has been completed for the annual convention of the Ohio Association of Insurance Agents in Dayton Oct. 16-18. Advance reservations indicate a large attendance. Additions to the list of speakers include U. M. Lelli, special agent inland marine and business development department Phoenix of Hartford, Chicago, and H. S. Atkinson, administrator of the Ohio bureau of unemployment compensation.

Registration will start Monday morning, Oct. 16. The golf tournament will take place that afternoon and those who do not play golf will visit Dayton industrial plants. The trustees will have their dinner at 6:30 and the golfers' dinner will be at 7:30.

Speakers for First Day

The convention proper will be called to order at 10 a. m. Oct. 17 by Vice-president W. A. Earls of Cincinnati. Mayor Brennan and B. C. Shepherd, president Dayton Association of Insurance Agents, will give addresses of welcome. Glen C. Webb of Lima will respond. The rules committee will report and President Calvin Jones will give his president's address. At 11 o'clock there will be a departmental conference conducted by J. R. Crabbe, deputy superintendent; Raymond Rhoads, assistant superintendent, and L. U. Jeffries, warden of the Ohio department, followed by a general discussion of insurance problems. At the luncheon, Mayor Stewart of Cincinnati will speak.

Speakers at the afternoon session will

be C. F. Eagle, Dayton, American of Newark, on behalf of Ohio field men; Mr. Lelli, E. J. Bond, president Maryland Casualty, and Mr. Atkinson. At the banquet that evening, W. J. Cameron of the Ford Motor Co., Detroit, will speak.

Insurance Superintendents to Speak

The morning of Oct. 18, reports of committees will be received and officers elected. Speakers will include A. B. Bielaski, arson department National Board, and J. Dillard Hall, assistant agency director U. S. F. & G. At the "Insurance Superintendents' Luncheon" at noon Superintendent Pink of New York and Superintendent Lloyd of Ohio will speak.

Registration fee will be \$3 for members of the association and \$5 for non-members.

Two cash prizes, \$5 and \$3, will be awarded for the best displays of advertising souvenirs, copy, etc., which local agents have found to be effective. Agents are asked to submit their entries to Hugh Hoffman, chairman of the advertising display committee, 509 Dayton Industries building. The entries may include direct-by-mail campaign; newspaper and magazine campaigns, remembrance advertising, or any other advertising ideas.

Street's Estate Relieved of Tax

An agreement has been reached by the Internal Revenue Bureau and the City National Bank & Trust Co. of Chicago that there was no deficiency in the 1930 income tax of the late Charles R. Street. The bank is executor of Mr. Street's estate. The bureau had sought to collect \$220,892 additional taxes from the estate, but the bureau, as a result of the revelations in the Missouri rate case, apparently has concluded that all of the money that Mr. Street received and did

At 60th Jubilee



SAMUEL M. BUCK
Chicago

S. M. Buck, vice-president of the Great American in charge of the western department, who is president of the Western Underwriters Association, presided this week over the meeting of the latter at White Sulphur Springs, W. Va. He was toastmaster at the 60th jubilee banquet held Tuesday evening. In that connection Mr. Buck gave a historical sketch of this famous and highly esteemed organization.

not report in his income tax had gone to A. L. McCormack, St. Louis agent; T. J. Pendergast, Kansas City political leader; and R. E. O'Malley, former Missouri superintendent.

Neslen Seeks to Make Workshop of Association

C. C. Neslen of Utah, president of the National Association of Insurance Commissioners, has addressed the members, urging them to regard the association as a workshop. He asks that the committees function earnestly, tackling whatever assignments may be made. He urges that at the meetings punctuality be observed and that the sessions be conducted in business like fashion. Mr. Neslen apparently is determined to restore the prestige and effectiveness of the organization and to compose the bitter differences that have developed in connection with the convention examination issue.

"Middleman, What Now?" Is Theme of Boston Convention

"Middleman, What Now?" has been designated as the official theme of the forthcoming convention at Boston, October 2-5, of the National Association of Insurance Agents.

The theme is designed to bring home forcefully the great problem today confronting that vital class of businessmen of whom insurance agents form so integral a part.

MacLean with Western in K. C.

Stuart O. MacLean has rejoined Western Adjustment and will be inland marine adjuster in the Kansas City branch effective Oct. 1.

For a number of years, Mr. MacLean was with Western Adjustment in Cincinnati, doing inland marine work. For the past three years he has been in the Ohio field for Atlantic Mutual, first in Cincinnati and more recently in Cleveland.

REINSURANCE

INTER-OCEAN REINSURANCE COMPANY

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Helps Your Business

When your America Fore fieldman calls, he comes prepared to help you increase your business. He brings new ideas and a knowledge of current underwriting conditions which can be of great value to you.

Consult with him as though he were your partner, for what benefits you benefits him and the companies he represents.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Program of Mutual Groups' Chicago Meeting Given

The tentative program was announced for the annual meetings of the Federation of Mutual Fire Insurance Companies, National Association of Mutual Insurance Companies and Mutual Insurance Advertising-Sales Conference, to be held in the Stevens Hotel, Chicago, Oct. 2-4.

L. G. Purmort, secretary Central Manufacturers Mutual Fire, Van Wert, O., is president of the federation; A. E. Anderson, Cottonwood, Minn., secretary North Star Farmers Mutual, is head of the National association, and Paul W. Purmort, assistant secretary and advertising manager Central Manufacturers, is head of the advertising conference.

The opening general session of the three groups combined will be held the first evening. This will follow an afternoon session of the federation, when President Purmort will give his annual address.

List Principal Speakers

Others on the first afternoon program are: Wiley Sampson, vice-president and general sales manager Employers Mutual, Wausau, Wis., "Advertising and Sale of Mutual Insurance"; Capt. Edward Stone, Resettlement Administration, Department of Agriculture, Washington, "An Outsider Looks at Insurance Company Investment Policies"; Eugene Arms, general manager Mutual Fire Prevention Bureau, Chicago, "The Loss Ratio Can Be Reduced," and T. L. Osborn, Jr., manager inland marine department, National Retailers Mutual Fire, "Developments Recent and Prospective Affecting Inland Marine Insurance."

The federation will reconvene at 9 a. m. Tuesday. Alfred H. Nash, president Abington Mutual Fire and national councillor to U. S. Chamber of Commerce, will report. E. L. Poor of American Mutual Alliance, will discuss "Insurance in War Time." Others on the program will be: Prof. G. W. Goble, head of the University of Illinois law department and professor of insurance law, "Insurance in European Countries"; Dr. Walter Lichtenstein, principal economist First National Bank, Chicago, "Investment of Insurance Reserve and Surplus Funds Under Current Economic Conditions," and Clifton Utley, Chicago Foreign Relations Council, who will give an address on "World Affairs."

O'Mahoney Also Scheduled

Merle Thorpe, editor of "Nation's Business," and representative U. S. Chamber of Commerce, will be one of the principal speakers at the joint general session of the federation and National association, starting at 2 p. m. Tuesday. Tentatively, Senator Joseph O'Mahoney of Wyoming, chairman temporary national economic committee, is on the program to discuss the committee's objective in its study of economic conditions.

The federation's final session to be held Wednesday morning, Oct. 4, starting at 9:30, will be an executive session with round table discussions of managerial problems and consideration of the secretary's report. The federation will meet jointly with the other groups Wednesday afternoon at 2 p. m. to hear Governor Lloyd Stark of Missouri speak.

The annual banquet will be held Wednesday night, a speaker being scheduled. Dancing will follow. A. V. Gruhn, general manager American Mutual Alliance, Chicago, is in charge of much of the arrangements for the gathering there.

National association directors will meet Sept. 30, President Anderson presiding. Reports will include: A. V. Gruhn of the alliance; H. P. Cooper, Indianapolis, association secretary, and H. P. Cooper, Jr., assistant secretary.

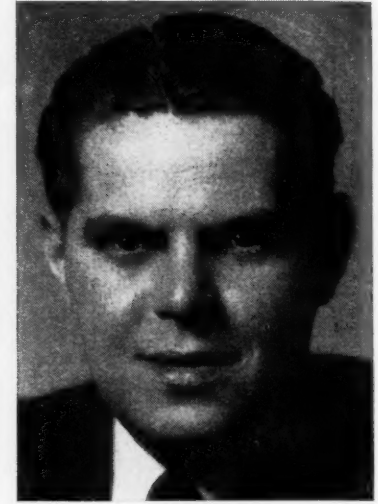
ADVERTISING MEN TO FUNCTION AT BOSTON RALLY



HAROLD E. TAYLOR



DAVID C. GIBSON



R. W. BUGLI

Three prominent insurance company advertising and publicity men will participate in a prominent way in the group sessions of the National Association of Insurance Agents at the Boston convention, Oct. 5, when agency manage-

ment and operation will be discussed. Harold E. Taylor, American of Newark, will be the Insurance Advertising Conference representative in Group 1, over which H. Donald Holmes of Summit, N. J., will preside. In Group 2, over

which J. W. Carswell of Savannah, Ga., will preside, D. C. Gibson, vice-president Maryland Casualty, will be the spokesman. In the third group, presided over by L. C. Hilgemann of Milwaukee, R. W. Bugli, London, will hold forth.

The advertising conference exhibit will open Sunday.

There will be various group meetings during the convention, including windstorm, city and town, automotive, hail, farm, grange and federation. C. J. Robideau, secretary North Dakota Farmers Mutual Tornado and Cyclone, LaMoure, N. D., will discuss organization methods, as chairman in the windstorm group meeting Monday, which will also be addressed by R. M. Evans, administrator Agricultural Adjustment Administration, Washington. V. N. Valgren, agricultural economist, Farm Credit Administration, Washington, will address a Farm Credit Administration luncheon Monday on "Serving the Farmer." F. P. Tucker will preside at the city and town group meeting Monday, telling its objectives. He is secretary Cooperative Fire Underwriters Association, Albany, N. Y.

Other Subjects on Program

H. S. Evans is chairman of the automotive group, which also meets Monday. R. G. Rowe, vice-president Lumbermen's Mutual Casualty, Chicago, and A. B. Kelly, American Mutual Alliance, will speak respectively on "Unauthorized Practice of Law," and "Brief Extension of Automobile Insurance Coverages." These groups also will hold round table discussions.

At the association's general meeting Monday night, the reports of the president, secretary and Treasurer F. B. Fowler, Indianapolis and General Manager Gruhn of the Alliance, will be heard.

J. H. Kelker, manager Farmers Mutual Reinsurance, Chicago, will preside at the hail group meeting Tuesday morning and give his address. A talk on "Trends in Federal Legislation" will be given in the city and town group meeting Tuesday by a representative of the alliance. There will also be a sales clinic led by W. E. Jackson, sales and advertising consultant, Indianapolis.

Automotive Group Session

B. P. Coleman, special insurance representative, National Business Machine Corporation, Chicago, will talk on "Proper Records for an Automobile Insurance Company," before the automotive group Tuesday, and A. E. Neyhart, administrative head Institute of Public Safety, Pennsylvania State College, will talk on safety.

F. T. Barlow, secretary Southern Kansas Mutual, Wellington, Kan., will

preside as chairman over the farm group meeting Tuesday morning, which will be addressed by Assistant Secretary Cooper of the association on "Social Security and Other Taxes." There will be round table discussions.

The federation and advertising conference will hold meetings Tuesday morning, as will the ladies auxiliary, of which Mrs. O. E. Hurst, Lexington, Ky., is president.

A past presidents session will be held Wednesday. E. L. Poor of the alliance will address the city and town group Wednesday morning, as will H. L. Kennicott, secretary-manager Lumbermen's Mutual Casualty. Assistant Secretary Cooper of the association will give a talk on "Social Security Tax Amendments of 1939" before the automotive group Wednesday.

Reinsurance Is Subject

J. P. Gibson, Jr., president Excess Underwriters, New York, will talk on "Relation Between Direct Writing Company and Reinsurer on Excess Reinsurance," and another sales clinic will be held by Mr. Jackson.

The three judges selected to decide awards in the advertising conference are: Homer J. Buckley, president Buckley, Dement & Co., Chicago; Dr. S. N. Stevens, dean university college, Northwestern University, and L. B. Northrup of Ruthrauff & Ryan, Chicago.

The advertising conference session Monday will include a talk by E. G. Bordon, director of advertising LaSalle Extension University, Chicago, and by Vernon Myers of "Look" magazine, Des Moines.

Tuesday J. A. Buxton, vice-president Minnesota Implement Mutual Fire, Owatonna, Minn., will talk on "Sales Training Programs That Pay," and Wednesday E. R. Richer, advertising director Hart, Schaffner & Marx, Chicago, will discuss "The Steps in Planning a Complete Advertising Campaign."

E. M. Ackerman Resigns

NEW YORK—E. M. Ackerman of this city, associate editor of the "Insurance Field," has resigned. For the time being Elmer Miller, managing editor at Louisville, is at the New York office until later arrangements are consummated.

Push accident insurance on **Hoodoo Day**, Friday, Oct. 13. Send 10 cents for plans to A&H Review, 175 W. Jackson Blvd., Chicago.

August Loss 9.5% Higher Than in Same Month of '38

NEW YORK—Fire losses in August as estimated by the National Board, aggregated \$22,800,500, an increase of 1.5 percent over the record for July, and greater by 9.5 percent than for August, 1938. Inclusion of the latest figures brings the losses for the first eight months to \$210,821,534, against \$192,463,109 in 1938, and \$190,250,043 in 1937.

The record by months in each of the three years is:

	1937	1938	1939
Jan.	\$25,069,895	\$27,676,337	\$27,615,316
Feb.	28,654,962	26,472,626	29,303,520
Mar.	29,319,029	29,050,968	30,682,168
Apr.	26,663,854	25,616,112	27,061,522
May	21,437,739	22,917,577	27,031,700
June	19,524,765	19,473,617	24,190,700
July	19,812,485	20,434,088	22,468,304
Aug.	19,767,314	20,821,184	22,800,500
Tot.	\$190,250,043	\$192,463,109	\$210,821,534

T. R. Lawrence, special agent in New Mexico for Fireman's Fund and Miss Teresa Jackson of Santa Fe, N. M., were married recently in Santa Fe.

Buffalo Seeks 1941 Meet; Board's 100th Anniversary

BUFFALO, N. Y.—A delegation of Buffalo local agents will go to Boston to present Buffalo's invitation to the National Association of Insurance Agents to hold its 1941 convention in this city.

Heading the delegation will be C. H. Wilson, president Buffalo Association of Fire Underwriters. Others expected to attend are A. C. Glasser, vice-president of the association; J. L. Rochester, secretary; Norman K. Butler, treasurer, and Albert Dodge, well-known in association activities.

"It is of particular significance that we are seeking the 1941 convention," Mr. Wilson said, "because the Buffalo Association of Fire Underwriters will celebrate its 100th anniversary that year. In 1841 a small group of insurance men got together here and formed the association, only nine years after Buffalo had been incorporated as a city."

Other insurance groups in Buffalo are cooperating with the local agents to bring the convention to Buffalo.

IT "CLICKS"



A WORTH-WHILE HOBBY JUSTIFIES

Hobbies innumerable are the universal antidote for nerve tension, boredom or brain lag.

You undoubtedly have a hobby—very possibly more than one.

Photography may claim you as one of its devotees—or you may be an angler, hunter or model railroader. Again, the cultivation of musical talents may claim your leisure hours.

You may, perhaps, be an enthusiastic collector of stamps and coins—or of antiques, rare glass, ship models, or of other articles which lead you far from the well-worn paths of collectors.

Whatever your hobby or hobbies, a substantial investment is represented which is exposed to many loss hazards—equipment and treasured articles which probably

not only add to your glory but also against additional hazards as water damage, explosion, wind-storm, earthquake, smudge damage, hail and many other perils—at home, in transit and elsewhere within the limits of the continental United States and Canada. You'll derive more pleasure and benefit from your hobby if you safeguard your investment with an "All Risks" Flier.

Our hobby is to fit this coverage exactly to your personal requirements. May we explain how easily and inexpensively you can protect your hobby exposures?

HOBBY EXPOSURES..

AVOID LOOPHOLES for LOSS by giving your HOBBY the protection of an "All Risks" Flier

if you ride a hobby—why not insure it?

INCREASED PRODUCTION

Representative of a wide assortment of sales helps on Inland Marine coverages is the mailing folder, "Hobby Exposures," which presents a modern and popular form of insurance.

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NEWS OF FIELD MEN

Dwyer to National Fire's Home Office

The National of Hartford group has announced several field changes.

R. A. Dwyer, who in the past eight years has served in western, eastern and central Pennsylvania as special agent, and before that was at the home office, has been promoted to agency superintendent at the home office. J. K. Gifford will succeed Mr. Dwyer in central Pennsylvania. He is a native of New York City, a graduate of Rutgers University, and before going into the field had extensive experience in the examining and research departments at the home office. He served for several years in the New York suburban field.

Special Agent F. C. Carroll is being transferred from Philadelphia to succeed Mr. Gifford in western Pennsylvania. Following his graduation from Yale and a thorough training at the home office, he served in the eastern Pennsylvania field for several years. John F. Lindsay, another Yale man, is being transferred from the home office to succeed Mr. Carroll in eastern Pennsylvania.

J. W. Edelin, Jr., a native of Washington, D. C., is appointed special agent for Maryland and District of Columbia, working out of Baltimore. He has engaged in insurance work 11 years, having had extensive experience in the local agency and adjusting field, and for some time in the National home office.

Schreiber to Michigan Field

Howard Schreiber of the Chicago office of America Fore is being transferred to Detroit as special agent to assist L. J. Gilmour in Detroit and Wayne, Oakland and Macomb counties. Mr. Schreiber has been in the Chicago

office 14 years, having begun as office boy. This will be his first field connection. He has been an underwriter in the improved risks division. He succeeds John Gough, resigned.

Michigan Blue Goose Outing

DETROIT—Despite a steady downpour of rain throughout the morning, 83 members of the Michigan Blue Goose attended the annual outing at Glen Oaks Golf & Country Club. G. H. Burchill, Underwriters Adjusting, was chairman of the outing.

H. C. Heym of Heym & Kendall won first prize in golf; H. D. Osgood, second, and C. A. Nelson, Home, third. In ping pong Phil Roger, Underwriters Adjusting, and W. A. Nicholson of W. H. McGee & Co. battled to a tie.

At a brief business session following the dinner, with Most Loyal Gander M. L. Degenaar, Milwaukee Mechanics, presiding, the work of the past year was reviewed and plans were made for the 1939-40 season.

W. B. Swanson with Home in S. D.

William B. Swanson, formerly of the Fire Underwriters Inspection Bureau of Minneapolis, has joined Home of New York as special agent in South Dakota with headquarters at Fargo, N. D. He takes the place of H. O. Wallgren, who has been granted a leave of absence because of ill health. Mr. Swanson, a native of Rockford, Ill., was graduated from Armour Institute in Chicago in 1930.

Kentucky Executive Committee

George B. Akin, Royal Exchange, president Kentucky Fire Prevention Association, has appointed on the executive committee: L. E. Driscoll, Norwich Union, chairman; R. L. Meeks, Fidelity

& Guaranty Fire; E. C. Knoop, Aetna Fire; M. C. Miller, Royal Group, and E. M. Ramsey, America Fore.

The association will inspect Murray Sept. 28.

Hendee Is Georgia Keeper

ATLANTA—Roy K. Hendee, Commercial Union, was elected keeper of the Georgia Blue Goose to succeed S. W. Milner, Hartford Fire, who died recently.

The pond voted honorary life memberships to Sims Bray, Fire Companies Adjustment Bureau, and Daniel Gober, former state agent Security of New Haven, for many years, both now retired.

Names B. D. Committee

E. P. Turner, president of the Tennessee Field Club, has appointed a Business Development committee, with W. E. Bethshares, North America, as chairman, to work with a committee from the Tennessee Association of Insurance agents.

New Michigan F. U. A. Members

DETROIT—Six new members were admitted to the Michigan Fire Underwriters Association at the first fall meeting: J. F. Borg, Detroit; J. A. McLean, Lansing; L. L. Neuberger, Milwaukee, and E. E. Sademan, Detroit, all of the National of Hartford; R. C. Koller, Jackson, America Fore, and L. J. Hickey, Detroit, Royal-Liverpool group.

W. T. Landy Now Special Agent

W. T. Landy, who has been connected with the sub-agency department of the Home group at St. Louis since 1935, has been advanced to special agent for the department. He will work under the supervision of State Agent J. E. Ball.

Richard Sommer Makes Change

Richard Sommer is no longer Indiana state agent for Boston and Old Colony, as that work has been taken over by Ross Coffin. Mr. Coffin, who remains as president of the Indiana Association of Insurance Agents for the time being, also is representing Eagle Star in the Indiana field. Mr. Sommer is a brother of Paul Sommers, president of American of Newark.

Smoke & Cinder Golf Tourney

PITTSBURGH—W. C. Zieg of the W. W. Zieg Company scored low gross, and J. A. Larimer, Commercial Union, low net in the Smoke & Cinder Club golf tournament at the Alcoma Country Club, concluding with a dinner. T. V. Laird, Great American, secretary of the club, was in charge of arrangements.

Town Inspections Scheduled

The Iowa Fire Prevention Association will inspect Newton Sept. 26, with J. Burr Taylor, Western Actuarial Bureau, as the speaker.

The Minnesota Fire Prevention Association will inspect Detroit Lake Sept. 27.

O'Connor to Employers Fire

The Employers Fire has appointed J. F. O'Connor state agent for western Pennsylvania with headquarters in the Union Trust building, Pittsburgh. He was for several years with the Yorkshire in the same territory.

Pierce N. J. Club Speaker

NEWARK—At the first fall dinner-meeting of the New Jersey Field Club in Newark, Sept. 25, C. W. Pierce, vice-president America Fore, will discuss public relations of the fire insurance business.

Security to Have Roundup

NEW HAVEN, CONN.—The Security of New Haven will have all its field men here Oct. 9 with the exception of those on the Pacific coast but

the manager will be present. President P. J. Berry and his associates have completed their program for advancement. The plan will be announced and added company service will be presented. The company has strengthened its position in every department.

The Nebraska Blue Goose golf stag will be held at the Fremont Country Club, Fremont, Neb., Sept. 29.

The Iowa Blue Goose had 44 in attendance at its luncheon Monday in Des Moines. Guests attending included G. V. Whitford, assistant manager inland marine department Fire Association, and Gordon Eason, Ocean Accident, recently transferred to Iowa.

J. H. Gosnell, retired Minnesota state agent New Hampshire Fire, now living in Texas, has been in Minneapolis renewing acquaintances among field men.

NEW YORK

N. Y. EXCHANGE MEETING

At the meeting of the New York Insurance Exchange a memorial resolution was adopted in tribute to the late President O. E. Schaefer of the Westchester Fire. He had been 59 years with the company. Some minor changes in rates and rating rules were adopted including the addition of garagemen to the legal liability rule. Charles Bellinger of W. L. Perrin & Son was elected a member of the executive committee. The Halifax, Jenkins, agency, 391 East 149th street, MacLair agency, 90 John street, were elected to membership.

BIG FIRES IN AUGUST

The New York Journal of Commerce lists the fires that occurred in August, estimated to have caused loss of \$100,000 or more:

Gardner, Mass., farm building, \$100,000; Jamestown, Pa., paint and varnish plant, \$100,000; Sharpsburg, Pa., business block, \$120,000; Wilkes-Barre, Pa., department store, \$150,000; Birmingham, Ala., cement plant, \$100,000; Dallas, cotton warehouse, \$275,000.

Also, Chicago, processing plant and grain elevator, \$100,000; Chickasha, Okla., cotton warehouse, \$150,000; McAlester, Okla., four stores, \$300,000; Boise, Ida., boxing arena, two warehouses and a lumber yard, \$1,000,000; Wallace, Ida., general store and offices, \$125,000; Pine Ridge, Ore., box factory, lumber shed, planer mill, hotel, store and 200 dwellings, \$2,000,000; Centralla, Wash., Eastern Railroad & Lumber Company property and nearby dwelling, boiler works, foundry, blacksmith shop, five freight cars and telegraph wires, \$275,000; Kent, Wash., refrigeration and storage plant, \$100,000; Wenatchee, Wash., business block, \$300,000.

GENERAL BROKERS DINNER OCT. 25

Superintendent Pink of New York will be guest of honor and Judge Albert Conway, former New York superintendent, will be toastmaster at the annual dinner of the General Brokers Association of the Metropolitan District in New York, Oct. 25. Nathan Greenbaum is chairman of the dinner committee.

REYNOLDS HEADS GOLF BODY

W. J. Reynolds, vice-president of Corroon & Reynolds, was elected president of the Underwriters Golf Association of New York at the annual meeting at the Nassau Country Club, Glen Cove, L. I. H. C. Conick, assistant U. S. manager Royal-Liverpool, is vice-president and J. R. Dumont, manager Interstate Underwriters Board, was re-elected secretary.

Mrs. W. S. Isherwood, wife of the head of the Flint Agency, Inc., of Flint, Mich., died on Monday.

Gaunt, Houston & Fitzhugh, Louisville local agents, who for some months have officed with and been under the management of Edward J. Miller, of Edward J. Miller & Co., local agents, Louisville, will move back to their old quarters in the Speed building, on which they still had a lease.

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Fire and Casualty Insurance Lines

AS SEEN FROM CHICAGO

W. M. SHELDON TO PARTICIPATE

At Group 3 meeting at the annual convention of the National Association of Insurance Agents in Boston dealing with agency management, to be presided over by L. C. Hilgemann of Milwaukee, W. M. Sheldon, vice-president W. A. Alexander & Co., Chicago, will present some ideas that have been developed in that office, which he feels will be of particular interest in building business. R. W. Bugli, advertising manager of the London Assurance, will answer questions regarding local agency advertising.

ROBBINS RESIGNS BROKERS POST

W. J. Robbins has resigned as vice-president, director and a member of the Insurance Brokers Association of Illinois. His resignation was accepted promptly and with regret. Recently Mr. Robbins published a criticism of the Chicago Board in a local newspaper following which the association adopted a resolution requiring that all association announcements be cleared through the publicity committee.

W. I. B. TO ATLANTIC CITY

The semi-annual meeting of the Western Insurance Bureau is to be held at the Shelburne Hotel, Atlantic City, Oct. 17-18. The Western Sprinkled Risk Association will hold its meeting at the same place, Oct. 18.

BIG SEPTEMBER IN FIRE END

September has been an exceptionally big month in Chicago in the fire insurance line. There seems to be a healthier tone to the business in general, but the big increase was due to the fact that on Sept. 10, 1936, the fireproof rates were substantially reduced in the city and at that time a great deal of the business was canceled and rewritten for a period of three years to take advantage of the change. Those policies came up for renewal at the same time this month.

The agents and companies were on their toes, knowing that with so many expirations being a matter of common knowledge, competition would be intense. Each line was carefully nursed beforehand under the circumstances.

VISIT GLENS FALLS HEAD OFFICE

C. M. Hayden of Chicago, vice-president Glens Falls, and George Schweers, assistant Chicago manager, have returned from a visit to the head office. While they were there the Glens Falls open golf tournament was conducted and they had the privilege of witnessing some stellar playing. Glens Falls Insurance Company supports the tournament in many ways.

LIEBROCK IS CLASS 1 AGENT

Henry F. Liebrock, casualty department manager of R. A. Napier & Co., Chicago, has taken over the class 1 Chicago Board membership of Miss Mable Gore, office manager, who recently was married and moved to Michigan. Mr. Liebrock has been connected with Napier & Co. for 14 years, starting as endorsement boy and working up through various positions.

INSTITUTE CIRCULARS AVAILABLE

Circulars describing the Insurance Institute of America fire and casualty courses to be given in Chicago are now available in the Insurance Library, it was announced by A. T. Graham, chairman educational committee. Prospective students may secure them upon application.

The beginning casualty course starts at 6:30 p. m. on Oct. 5. Part 2 of the casualty course begins Oct. 6, at 5 p. m. Casualty 3 begins Oct. 6 at 6:30 p. m.

The beginning course in the fire insurance will begin Oct. 4, at 5 p. m. Among topics to be considered during the year will be insurers, state supervision, the risk, fire prevention and protection, co-operative organizations, common fire

hazards, special fire hazards, rates, the contract, underwriting, reinsurance and side lines (except inland marine), loss adjustments, business production and accounting. Fire 2 will be given starting Oct. 5. This will be an advanced course in hazards, special hazards and protection. Fire 3 begins Oct. 4, at 6:30 p. m.

More than 60 staff lecturers, members of the Institute of America educational committee and Mrs. Andrews and Miss Turner of the Chicago Board Library attended a dinner Wednesday night at Hotel Chicagoan. The manner of conducting the courses was outlined by Mr. Graham.

Joseph Monahan, manager of the fire insurance department of Johnson & Higgins in Chicago, who underwent an operation about two weeks ago, is now at his home and is making satisfactory recovery. He expects to be able to return to the office in another two weeks.

J. M. Hasko, Jr., St. Louis Fire & Marine, has been elected to metropolitan supervising membership of the Chicago Board succeeding C. A. Bacon, who recently resigned.

J. Robert Johnson, Chicago broker, spoke to the International Union of Operating Engineers on the driver's license law and showed colored movies which he took in Mexico. Mr. Johnson is insurance commentator on radio station WCFL.

New York Unpaid Premiums Less

Unpaid earned premiums of fire companies in the New York metropolitan territory last April amounted to \$12,816, as compared with \$14,432 for April, 1938, the Central Bureau reports. For casualty companies, the comparable figures were \$61,481 and \$80,365.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 18, 1939.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00*	102	106
Aetna Fire	10	1.60	41 1/2	43 1/2
Aetna Life	10	1.35*	27	28 1/2
Agricultural	25	3.25*	71	75
Amer. Alliance ..	10	1.20*	21 1/2	23 1/2
Amer. Equitable. 5	1.20		21 1/2	23
Amer. Home ...	10	...	7	8 1/2
Amer. (N. J.) ...	3.50	...	12 1/2	13 1/2
Amer. Surety ...	25	2.50	46	48
Automobile	10	1.30*	29	31
Balt. Amer.	2.50	3.00*	6 1/4	7
Bankers & Ship. 25	5.00		93	96
Boston	100	21.00	600	615
Camden Fire	5	1.00	19	20
Carolina	10	1.30	26	28
Contl. Cas.	5	1.20	29 1/2	31 1/2
Contl., N. Y.	2.50	1.80*	36	38
Crum & Forster				
Com.	10	1.00	26 1/2	28 1/2
Employers Rein. 10	1.60		44	46
Fidelity-Phen. ..	2.50	1.80*	36	38
Fire Assn.	10	2.50	63	65
Firemen's (N. J.) 5	4.00		8 3/4	9 1/2
Franklin	5	1.40*	30 1/2	32 1/2
Gen. Reinsur. ...	5	2.00	42	44
Georgia Home ...	10	1.20*	22	24
Glens Falls ...	5	1.60	39	41
Globe & Repub. .	5	.50	12	13
Gt. Amer. Fire ..	5	1.20*	26 1/2	28 1/2
Gt. Amer. Ind. ...	1	.20	10	11
Halifax Ins.	10	1.00**	15	17
Hanover Fire ...	10	1.20	27	29
Hartford Fire ...	10	2.00	73	75
Hartford St. Boli. 10	1.60		56	59
Home Fire Sec. .	10	...	2 1/2	2 3/4
Home Ins. (N.Y.) 5	1.60*		33	35
Home Indem.	3	...	11	13
Ins. Co. of N. A. 10	2.50*		66	68
Lincoln Fire ...	5	...	2 1/4	2 3/4
Maryland Cas. ...	1	...	2 3/4	3 1/4
Mass. Bonding ..	12.50	3.50	56	58
Merch. Com. (N.Y.) 5	1.70*		43	48
Natl. Cas.	10	1.20*	23	25
Natl. Fire	10	2.00	58	60
Natl. Liberty ...	2	.40*	7 1/2	8 1/2
New Am. Cas. ...	2	.65	12	13 1/2
New Hampshire. 10	1.80		42	44
Northern (N. Y.) 12.50	5.00*		102	105
North River	2.50	1.20*	25 1/2	27
N. W. Natl.	25	5.75*	121	126
Phoenix, Conn. ...	10	2.50*	71	74
Preferred Accl. .	5	1.00*	15	16
Prov. Wash.	10	1.40*	31	33
St. Paul F. & M. 62.50	8.00		210	218
Security, Conn. .	10	1.40	28 1/2	30 1/2
Sprgfd. F. & M. 25	4.75*		112	115
Travelers	100	16.00	390	410
U. S. Fire	4	2.00	50	52
U. S. F. & G.	2	1.00	21	22
Westchester Fire 2.50	1.60*		33	35

*Includes extra. **Canadian funds.

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Shots from Greenbrier's Appealing Golf Links

W. R. Townley and C. F. Sturhahn were the only company men present that attended the 25th anniversary meeting of the Western Underwriters Association at Hotel Frontenac, Thousand Islands. It will be remembered that on that occasion at the brilliant banquet presided over by President Geo. P. Sheldon of the Phoenix of Brooklyn, H. M. Magill of Cincinnati, retired western manager of Phoenix of Hartford, died as he was making an address extolling the executives. Mr. Townley was also at the 50th anniversary meeting at Old Point Comfort. At the Frontenac gathering was C. M. Cartwright of the National Underwriter, covering the proceedings for that paper and he was in White Sulphur Springs this week on a similar mission. I. S. Blackwelder, Niagara Fire was president in 1904 at the 25th anniversary and W. B. Flickinger, North America, served in similar capacity in 1929 at the 50th.

U. S. Manager F. W. Koeckert of Commercial Union spent only Saturday at the Greenbrier. He attended the governing committee meeting and left for New York City that night.

W. L. Lerch, manager Underwriters Grain Association, a former W. U. A. member, attended this meeting.

Alfred Stinson, retired vice-president of Automobile, came on from Hartford, greatly improved in health.

Some commotion arose when it became known that Jan. S. Kemper of Chicago was at the hotel. He is one of the most important mutual company magnates in the country and the supposition was he intended to crash the stock company gates. However as vice president of the U. S. Chamber of Commerce he was meeting with the directors. J. C. Harding, Springfield F. & M., a director, participated in these deliberations.

Two former presidents, now retired, participated in the 60th anniversary festivities. C. A. Ludlum, Home, and W. B. Flickinger, North America.

Automobile and Standard of Hartford had a battery of three executives present: J. K. Hooker, Olaf Nordeng and R. R. Stone.

Three Factory Association managers were present and held conferences, they being H. L. Grider, Chicago, Western Factory; H. P. Smith, Hartford, Factory Insurance Association; F. H. French, San Francisco, Pacific Factory.

C. W. Pierce, vice president America Fore, who seldom attends W. U. A. meetings was present, conferring with the Factory Association managers.

Prof. F. G. Dickinson, University of Illinois, the banquet speaker, came with the Chicago contingent on the Chesley special, and was in immediate charge of Wallace Rodgers, W. U. A. assistant manager.

F. C. Gustetter, retired vice-president of Phoenix of Hartford, came to this meeting.

W. C. Lench, president Minneapolis F. & M., who seldom attends, was present.

E. R. Lutz, prominent Knoxville agent and vice-president Tennessee Insurance Co., was accompanied by Mrs. Lutz.

The eastern train Tuesday morning which brought a sizable contingent was three hours late, due to a wreck outside Washington, D. C.

L. R. Hanawalt, associate western manager National, made his debut attending W. U. A. meetings.

Organizations represented were Insurance Executives Association, Oil Insurance Association, Farm Underwriters Association, Western Adjustment, Underwriters Adjusting, Chicago Board, Western Factory, Factory Insurance Association of Hartford, Pacific Factory, Interstate Underwriters Board, National Automobile Underwriters Association, Cook County Loss Adjustment Bureau, Fire Companies Adjustment Bureau, Western Actuarial Bureau, Underwriters Laboratories, Western Insurance Bureau, Uniform Printing & Supply Co.

All the ex-presidents present sat at the head table at the banquet.

It required one hour and 30 minutes for Professor Dickinson to give his scholarly banquet address.

The members of the law firm of McKinney, Folonje & Grear of Chicago present—Hayes McKinney, R. J. and Hendrick Folonje—entertained in their suits prior to dinner Monday evening. The firm distributed to members in

Large Attendance at Sixtieth Jubilee

(CONTINUED FROM PAGE 3)

tinuous demand for broader forms and still lower rates. "It seems," said President Buck, "that in the effort to give all that can be spared we have created demands for more than can be safely granted, with the result that there are rumors of individual risks and agency concessions by such methods as side agreements to waive coinsurance, expanded coverages and rebated premiums. It is to wonder whether we are only thoughtless or in the atmosphere of dangerous thinking."

The president opined that in either case the trend of liabilities and average rate presents a test of the efficiency of self government.

He asked "whether we for any reason or under any circumstances are to permit such a breakdown in our processes of voluntary self government as will reflect in our business the European conflict now waging because of the threat to the right of government by self determination?"

Governing Committee Report

J. C. Harding, Springfield F. & M., governing committee chairman, in his opening remarks recalled that at the 1914 meeting in September, 25 years ago, Europe was in the throes of war but no reference was made to it in the address of the president, G. H. Lermitt, Northern Assurance, or the report of the governing committee, W. L. Steele, Niagara Fire, chairman. J. N. DeCamp, L. & L. & G., did, however, in his report on the president's address, congratulate him on his safe return from the fatherland.

Chairman T. E. Gallagher, Aetna Fire, in his report for the committee on publicity and education, stated that the war furnished special opportunities for educational work. The press, he added, was very responsive to articles urging special care in the matter of fire under the peculiar financial conditions then existing.

Mention was made in the current report of some general agency appointments where that official performs only the services of a state agent but is compensated with an overriding commission and a contingent contract. Sooner or later the governing committee stated legislation should be enacted to provide for a differential in status between such "general agents" and bona fide ones.

The committee finds that from various sections and agency groups come requests for changes in the extended cover endorsement. Some object to the reinstatement provision. Others protest the contribution feature. Some seek for a revision of the tornado rate feature while others prefer eliminating of tornado and use the mutilated clause on combined fire and tornado policies. Others en-

printed form its digest of statutes and notation of cases respecting riot, malicious mischief and vandalism in states in W. U. A. territory.

J. H. R. Tieman, secretary of the Philadelphia Contributionship, one of the insurance directors of the U. S. Chamber of Commerce, was at the hotel.

Former presidents on hand were G. H. Bell, National; W. B. Flickinger, North America; C. A. Ludlum, Home; J. C. Harding, Springfield F. & M.; J. M. Thomas, National Union Fire; E. A. Henne, America Fore; A. F. Powrie, Fire Association.

Two assistant managers present at their first meeting were H. K. Dickinson, Fire Association, and E. H. Forkel, National.

W. F. Alexander of the large insurance brokerage house of Alexander & Alexander of New York City and Baltimore was a guest at the hotel.

Carl Sturhahn, now residing in Los Angeles, former president Northeastern Fire, made the long journey east to attend the meeting.

In tribute to the 60th anniversary, Manager J. S. Glidden of the Chicago Board attended the meeting.

A novitiate at a W. U. A. gathering was Western General Agent J. J. Hubbell of Security of New Haven, being piloted by President P. J. Berry.

dorse in or out of the cover certain items. The governing committee opined there will be modifications to perfect the coverage but, it adds, it is out of the question to give favorable consideration to all the various individual agency whims. The committee stated it is giving its full support to the integrity of the form, pointing out that it follows a national pattern to provide uniform definitions of liability over all the states and under the circumstances it is impossible to consider favorably concessions in particular agencies or communities.

Factory Association Conference

Managers and officials of the three factory insurance associations—Western Factory, Pacific Factory and Factory Insurance Association of Hartford—held a conference under the auspices of the joint policy committee created a year ago, of which Paul Haid, president Insurance Executives Association, is chairman. It represents an effort to bring about greater uniformity, especially where there are overlapping accounts. It was decided to make the conference an annual affair, being held at the same time and place as the W. U. A. meeting. Officials of the Western Factory present were C. H. Smith, Hartford Fire; J. C. Harding, Springfield, and W. P. Robertson, North America. The Hartford association was represented by J. K. Hooker, Automobile, and C. W. Pierce, America Fore. Manager H. P. Smith of the Hartford unit was present; Manager H. L. Grider of Chicago and Manager F. H. French of San Francisco.

W. I. B. Is Included

A friendly gesture that met with approbation was the invitation to the Western Insurance Bureau to have its president and secretary present and be guests at the banquet. H. A. Clark, western manager of Firemen's, the president, and Fred C. Schad, secretary, attended.

At the opening exercises Tuesday morning, President S. M. Buck acknowledged the presence of President Clark, asked him to arise and he was given a round of applause.

For the first time in its 60 years the newspaper men covering the meeting were invited to be present at the opening exercises, including the reading of the president's address. It was an open meeting for all guests.

C. H. Smith, Hartford Fire, occupied the chair as vice-president, while President Buck gave his discourse.

E. G. Frazier, Springfield F. & M., reported as chairman of the membership committee 172 active members representing 251 companies. There are 27 honorary members.

G. C. Long, Jr., Phoenix of Hartford, read the memoir in tribute to Victor Roth, Security of Connecticut.

Situation in Oklahoma

There was some discussion about the Oklahoma capital stock council composed of field men and agents, the subject being referred to the governing committee.

The committee appointed to recommend a program concerning collateral lines held a meeting. No report was made to the general body but the subject is referred back to the governing committee.

The uniform forms committee reported there is an urgent demand for a combined church, dwelling and school form. It was decided to distribute freely the historical address of President Buck and the banquet address of Prof. Dickinson.

The committee on publicity and education set forth five objectives: First, more systematic cultivation of trade associations domiciled in W. U. A. territory; second, more extensive presentation of the W. U. A. story to civic groups; third, special attention to zone

committees to better insurance programs for public and institutional property with respect to which mutuals seem to be making a special drive because of their advertising value in soliciting other business of the community; fourth, continuation of a proper amount of research and internal educational work to the end that W. U. A. representatives may be continually well informed; fifth, continuation of joint effort with other business groups in the advancement of the American business system.

The members went into executive session following the address of the president.

Maxwell Submits Report

W. K. Maxwell, Hanover Fire, chairman committee on loss adjustment practices, in his report said the sub normal loss period shows definite signs of change. Adjustment difficulties, he averred, often can be traced to company origin with policies and forms incorrectly issued, titles and interests not correctly shown and other deficiencies. Sometimes a company does not make proper explanation to its agent where difficulties arise, which tends to accentuate hostile feeling.

During the first six months Western Adjustment found fire losses increased by 4,200; automobile losses decreased 8,400, due to fewer sales the last part of the year. Tornado losses are about the same.

Underwriters Adjusting shows fire losses increased 2,196; automobile decreased 586 and tornado decreased 1,073.

Crooked Claims Decline

Crooked claims show a decline. June was the severest month for storm. Hail claims have been numerous.

Extended coverage, the report declared, is developing a claim minded public. In the storm area it was found that some buildings that had been damaged by previous storms and on which claims had been paid had not been repaired.

The report announced that a committee is now considering proper apportionment of losses covered jointly by fire and casualty companies which have caused much trouble.

The report referred to allegations of unauthorized practice of law by adjusters, saying the Missouri supreme court decision clarified the situation and was favorable to adjusters. An adverse decision in Wisconsin has been appealed.

In spite of the Missouri decision so far as state restrictions are concerned, the campaign has had its effect in adjusting, the report declared. The report outlined the procedure the adjusting bureaus follow in order to avoid complications and keep within their rights.

Same Place for Spring Meet

At the final session it was recommended that the governing committee consider the advisability of creating separate status and regulation of the type of general agent performing only functions of a state agent and supervisor.

It was voted to hold the annual meeting in the spring at White Sulphur.

A. R. Small, Underwriters Laboratories, reported a 15 percent increase in applications for tests. Last year 66,000 visits were made to factories and there were supervised 310,000,000 labels on tested output.

L. E. Falls, American, chairman public relations committee National Board, gave some of its objectives.

After the meetings President and Mrs. Buck motored to the farm of Vice-president A. R. Phillips of Great American in Virginia about 85 miles from Washington to be his guest.

Auto Group Meets Sept. 25

The Automobile Superintendents Club of Chicago will meet at noon Sept. 25 at the Great Northern Hotel. Following a short business session the group will continue discussion of the new automobile form which was initiated at the Sept. 11 meeting. The club meets the second and fourth Monday of each month.

REJECTED RISKS

The Century Indemnity's accident department received an unusual claim covering expenses incurred by an assured in Massachusetts for injuries received while partaking of a meal in which coon meat was served. This assured's husband returned from a hunting trip with a coon, and they gave a dinner party to which several guests were invited. During the course of the dinner one of the guests discovered a porcupine quill in the meat and it was decided that no more of the meat should be eaten. Some days later the assured, the hostess, suffered severe pains in the abdomen and underwent an operation for an abscess in which was found a porcupine quill. Six months later she died.

In most of the western states recently the companies decided to provide, at no extra charge, insurance on account of damage deliberately done by civil authorities to halt the spread of a conflagration. This usually consists of dynamiting buildings at a point where the fire department believes it can make an effective, final stand. This is commonly known as the civil authority clause.

One company executive reports that an agent of the service giving variety has been assiduously making the rounds, attaching a civil authority clause endorsement to the policies of all assured, even including farm properties. "Perhaps," the company executive observes, "this agent may have the laugh on us. It might fall out that some day the civil authorities might dynamite a farm house to stop the spread of a forest fire, or might blow up the hen house to save the silo."

A leading dental journal characterizes an inland marine coverage as follows:

"What the insurance fellows won't think of! A new policy has just come out to insure artificial dentures against breakage, fire, theft, and accidental loss. The following losses, according to the company, have already been paid: (1) Assured in her haste to get off the train left dentures in glass in drawing room. (2) A seaskiff assured lost dentures overboard on ocean liner. (3) Dentures dropped on floor while cleaning and were accidentally stepped on. That seems to take care of the patient rather well; now all we need is a policy that will take care of the dentist under the following circumstances: 'They hurt right up here, doc.' 'They're swell until I start to eat with them, doc.' 'I never had any trouble with my uppers, but I can't even wear these new lowers, doc.' 'My wife says they don't look right.'"

Secretary John A. North of the Phoenix of Hartford, in an address spoke of the late Fred S. James of Chicago, western general agent of the National Fire. He attributed the story of the young, inexperienced field man who was employed by Mr. James to him. Mr. James had been in business about 30 years when a young field man returned after a hard week in his territory. Many disconcerting incidents had he experienced that week. In reply to Mr. James' interrogation about his trip, he said, "This business is going to hell." "Yes," replied Mr. James, "It has been going there for the past 30 years to my certain knowledge."

Mule insurance has been taken out by the Mobile (Ala.) Carnival Association to guarantee the safety of 32 animals needed to pull Mardi Gras floats. The association had trouble locating sufficient mules to do the job, but finally the state convict department came to its assistance, but only on condition a policy be taken out to cover any injury to mules during the ceremonies.

Stamp Collections

Some insurance men overlook the opportunity they have for covering stamp collections. This is one of the

greatest hobbies in the country. Philatelists spend millions of dollars annually in purchasing stamps. Values run from a few hundred dollars to many thousand. In almost every point there is some stamp collector. The owner can get a floater which covers against practically all risks of loss or damage in the United States and Canada and broader territorial privileges can be secured if desired.

Decisions in Recent Automobile Cases Given

The United States circuit court of appeals, 4th circuit, upholds the decision of the United States district court in Maryland in *White vs. State of Maryland ex rel Anderson*; same against *Anderson admrx.* These actions grew out of the death of two persons who were killed when they were hit by the defendant's car as they were walking along the highway. One of the plaintiffs is the minor child of the defendant and the other the mother of one of the defendants. In the action of the administratrix of each, there was judgment for plaintiffs and in the wrongful death actions brought on behalf of the minor child there were judgments in favor of the child but no recovery was allowed the mother. The facts established that as the decedent walked along the road there being no traffic other than the defendant's car they were hit by the car. The defendant claims that he did not see the decedents until a moment before he hit them. There was no showing that they were contributory negligent and the court finds that had the defendant kept a proper lookout he should have seen them in time to have avoided hitting them.

The Louisiana court of appeals 3rd circuit confirms the decision of the 19th judicial circuit court parish of East Baton Rouge in the case of *General Exchange vs. M. Romana & Son et al.* The plaintiffs alleged that a truck owned by Romana and operated by his agent was parked in an awkward manner so that his front wheels were off the highway while the rear wheels extended onto the highway from four to five feet. No lights or flares were burning on the truck. As the plaintiff approached the place where the truck was so parked he was partially blinded by the lights on a car coming from the opposite direction and crashed into the rear of the parked truck thereby being knocked into the middle of the road where his car was struck by the car approaching from the other direction. It was held below that the plaintiff had no cause of action and such holding is affirmed. The plaintiff does not allege facts or circumstances justifying his failure to see the parked vehicle, the court contended, or that the manner in which the truck was parked had anything to do with such failure.

The Utah supreme court had the case of *Reid et al. against Owens et al.* The plaintiff's father was a member of a group of men who were engaged in making a gas connection on a particular house. The foreman called for someone to run across the street to see if the fire valve was closed at the house the pipes being at the side of the street farthest from the house. The deceased and another started to cross and the other saw the defendant's car approaching and called to the deceased to watch out but too late for the deceased to get back out of the path of the car. The court found that the deceased was contributorily negligent in not looking out for traffic for had he looked he no doubt would have seen the approaching car. A statement by the defendant's father to the effect that his son who was driving the car was a fast and reckless driver and that he had taken out insurance to protect him was held to be an admission by the defendant properly receivable in evidence. The plaintiffs, children of deceased, the court held were not precluded from this action because of the fact that their mother, wife of the de-

ceased, received compensation from the industrial commission.

The Washington supreme court reverses the decision of the superior court of King county in *Bowen et al. against Odland et al.* The plaintiff's wife was severely injured and her car damaged in a collision with the defendant's car at an intersection. The defendant's wife who was driving said that she saw the plaintiff's car approaching and tried to stop but was not able to do so. The plaintiff's car was on the right of defendant's car. The court instructed the jury as to the rules relative to right of way at an intersection and then went on and instructed the members in regard to the manner of operation of his or her car and instructed them in regard to the exception to the rule which arises when the conduct of the driver or the manner of operation of his or her car is such as to deceive the disfavored driver. The court said that the giving of this latter part of instruction constituted reversible error since the facts were not such as to warrant its being given. The defendant driver, the court states, was in no way deceived in this case.

The Washington supreme court, Department 1, in *Compton vs. Evans et al.* had a case where the plaintiff sought to recover damages for injuries sustained when the car in which she was riding was allegedly driven at an excessive speed, left the highway and overturned. She alleged that she was in the employ of the woman who drove the car and who was killed. She said she had a contract with the woman and her husband as a community in safely transporting her from their winter to their summer home, her services being required in both places. She fully alleges the negligence of the driver of the car and claims that such constituted a breach of contract. She waived her right to sue in tort and brings her action on the contract. The husband died subsequent to the commencement of the suit and his representative was made party defendant. The court sustained a demurrer to the petition and on the plaintiff's appeal such action is upheld, the court holding that the gist of the action is in tort and that the negligence of the driver constituted a breach of duty owed to the passenger but not a breach of the employment contract.

Confer on CCC Wheat Insurance

WASHINGTON—L. G. Warder, Chicago, associate manager western department of Hartford Fire, is conferring with officials of Commodity Credit Corporation here on insurance on wheat pledged under CCC loans. Since the rate for pledged corn was reduced from 75 cents to 40 cents as a result of negotiations which led CCC to abandon its self-insurance scheme, it is considered likely that some reduction will be made in wheat rates. The 75 cent rate still applies to wheat.

Peoria, Ill., Agents Elect Brown

PEORIA, ILL.—W. P. Brown, who operates his own agency here, was elected president of the Peoria Insurance Agents Association at the annual meeting. He succeeds L. L. Hauser of the Mendenhall, Iliff Brothers & Hauser agency. Other new officers are: Vice-president, F. H. Hawk, who operates under his own name; treasurer, Henry Wittick of W. A. Wittick & Sons agency, and secretary, W. E. Peters, of the Lyle H. Gift agency.

David A. Cochran has been appointed supervisor in New York City for Continental Casualty.

Stuart Ragland of Richmond, president of the Virginia Association of Insurance Agents, is confined to his home with pneumonia and will be unable to keep his engagement to address the Boston convention of the National Association of Insurance Agents on "Duties of State Association Presidents."



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E. J. Weiss, Secretary.

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Indianapolis, Indiana

R. E. Metzger
162 E. Dunedin Rd.
Columbus, Ohio

John B. Tetlow
112 Cole Court
Peoria, Illinois

Finnell & Finnell
2527 David Stott Bldg.
Detroit, Michigan



Now in our 75th year

An independent Ohio Company with current surplus to policyholders of \$1,109,183.00

FIRE COMPANY STATEMENTS FOR FIRST SIX MONTHS

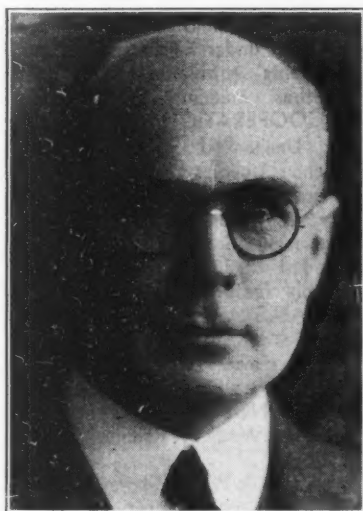
(Report as of June 30, to Georgia Insurance department)

STOCK	Capital or Deposit	Assets	Surplus
Albany	\$ 1,000,000	\$ 2,625,924	\$ 921,896
Allemania	1,200,000	5,225,106	2,221,208
American, N. J.	3,343,740	28,819,440	10,144,537
Anchor	1,000,000	3,610,579	868,762
American Union	1,000,000	3,465,003	1,980,689
American & Foreign	1,500,000	5,665,304	2,973,372
American Eagle	1,000,000	18,848,387	12,303,594
Agricultural	3,000,000	14,012,285	4,412,608
American Central	1,000,000	7,373,972	3,461,666
Atlas	300,000	5,957,843	1,905,598
American Automobile	300,000	3,692,904	1,129,234
Baltimore American	1,500,000	6,323,107	1,907,071
Boston	3,000,000	24,610,667	14,698,970
British America	200,000	2,622,728	1,674,418
California	1,000,000	5,370,528	2,628,133
Camden	2,000,000	12,830,284	3,827,308
Columbia Fire, O.	1,000,000	3,056,100	1,473,667
City of New York	1,500,000	5,351,029	1,320,943
Connecticut Fire	2,000,000	22,730,810	14,455,512
Citizens	1,000,000	3,394,040	1,922,321
Continental	5,000,000	91,910,940	58,142,149
Commonwealth	1,000,000	7,462,133	4,129,666
Dixie Fire	1,000,000	2,010,633	701,449
Eureka-Security	1,000,000	4,556,587	894,780
Export	450,000	1,085,796	571,516
Eagle Star	400,000	5,809,248	2,676,075
Federal Union	1,000,000	2,915,384	983,123
Federal	4,000,000	20,551,888	11,995,247
Franklin National	1,000,000	4,054,915	2,243,497
Fidelity & Guaranty	1,000,000	7,052,612	1,742,245
Fireman's Fund	7,500,000	40,320,301	15,394,694
First American	1,000,000	4,564,597	2,493,627
Georgia Home	500,000	2,705,202	937,873
Granite State	1,000,000	4,256,710	1,608,976
Globe & Republic	1,000,000	4,944,100	817,963
Globe & Rutgers	2,087,745	12,435,424	5,130,284
Glens Falls	2,500,000	17,928,233	6,454,643
Gibraltar Fire & M.	1,000,000	3,657,679	1,045,620
Home F. & M.	1,000,000	7,038,143	2,891,319
Home, N. Y.	15,000,000	112,869,753	44,561,329
Homeland	1,000,000	3,735,211	1,733,266
Hartford Fire	12,000,000	110,709,744	54,457,689
Liverpool & Lond. &	400,000	17,251,311	6,783,882
Globe	400,000	8,511,846	4,074,858
London Assurance	400,000	4,629,414	2,920,095
Marine	200,000	3,476,039	2,788,880
Mechanics & Traders	1,000,000	3,277,689	702,288
Monarch	819,336	7,179,188	3,774,291
Mercantile	1,000,000	3,228,671	1,295,838
Manhattan F. & M.	1,000,000	51,107,968	21,658,055
National, Conn.	5,000,000	5,749,208	2,014,922
Norwich Union	400,000		

NEWS OF THE COMPANIES

Parsons Succeeds Schaefer as President of Westchester

J. Lester Parsons has been elected president of Westchester Fire, taking the place left vacant by the death of



J. LESTER PARSONS

Otto E. Schaefer. Mr. Parsons is president of Crum & Forster, the managing corporation for a group of companies, including Westchester. He is also president of United States Fire and North River and is a director of all other companies in the group.

Mr. Parsons has been with Crum & Forster more than 53 years. He became a partner in Crum & Forster when the firm was organized in 1896. When it was incorporated in 1907 he became vice-president and in 1931 was elected president.

Way Paved for Erection of National Fire's New Home

The way was paved for National Fire to erect a \$2,000,000 new home office building in Hartford on the block bounded by Asylum, Woodland, Atwood and Collins streets when the board of aldermen of Hartford voted in favor of changing the building zoning plan. This is a residential neighborhood. Mayor Spellacy, other city officials and residents of the neighborhood approved of the change.

New Lineup in National Security

OMAHA — W. B. T. Belt, chairman of the board of the Northwestern Bell Telephone Co. and former president of that company, has been elected president of the National Security of Omaha. He succeeds Denman Kountze, who resigned to enter general agency work.

E. H. Porter of Philadelphia, secretary-treasurer of the North America, with which the National Security is affiliated, will become secretary-treasurer of the Omaha company. He will remain in Philadelphia.

R. O. Young, with the National Security in Grand Rapids, Mich., becomes assistant secretary and will manage the service office here.

Allied Fire Doubles Capital

Capital of Allied Fire of Utica, N. Y., has been increased to \$400,000 by the issuance of 2,000 shares of \$100 par value 3 percent non-cumulative preferred stock. The new shares are redeemable at \$102.50. They were purchased by Utica Mutual, which also owns a majority of the outstanding common stock. The capital of Allied Fire has been \$200,000.

J. H. Cheston, vice-president Philadelphia Savings Fund Society, has been elected a director of the North America.

Mutual Agents Are Holding Convention

BUFFALO, N. Y.—The annual meeting of the National Association of Mutual Insurance Agents is being held this week in this city. Superintendent Pink of New York is on the program for an address as is C. W. Brown, president of the Merchants Casualty of Buffalo. Others to appear are A. R. Peters of Washington, D. C., on "What Is This Mutual Insurance?"; C. C. Jennings of Baltimore, "Why Can't You Sell It?"; T. L. Osborn, Jr., National Retailers Mutual Fire of Chicago on "Profits from Inland Marine Insurance"; F. W. Glenn of Washington, D. C., on "Cooperation Between the Adjuster and the Salesman"; W. H. Howatt of Springfield, Mass., on "There is No Mystery About It"; E. L. Peard of J. R. Young & Co., of Buffalo, N. Y., on "Problems of a Sub-Agent"; F. D. Bowman, advertising manager Carborundum Company, Niagara Falls, N. Y., on "Making Advertising Pay," and A. V. Gruhn, general manager American Mutual Alliance, on "Americanism in Mutual Insurance."

Caminetti Warns on Rebates

SAN FRANCISCO—Insurance Commissioner Caminetti of California has warned agents, brokers, solicitors and companies against paying commissions to agents not licensed to represent the company in which business is placed.

The commissioner declares such payment constitutes a rebate. The provision does not apply, however, to an agent who also holds a license as a general broker.

Illinois Fire Group to Meet

The quarterly meeting of the Illinois Fire Underwriters Association will be held at 9 a. m. in the Chicago Board Auditorium, Sept. 24. Henry O'Loughlin, president-elect, will preside. Included in the order of business will be the discussion of a B. D. O. program for this fall, it is understood.

Sims Commands Commissioners to Meet in W. Va.

In a somewhat facetious vein, E. B. Sims, state auditor and ex-officio insurance commissioner of West Virginia, has extended an invitation to the National Association of Insurance Commissioners to hold the June meeting next year at White Sulphur Springs, W. Va. The place of the annual meeting for 1940 has not yet been decided upon. It was more or less understood, at the recent San Francisco annual meeting, that Washington, D. C., would be the choice, but shortly thereafter J. Balch Moor, the District of Columbia insurance superintendent, died and it was in deference to him that the meeting was to go to Washington.

Mr. Sims, who recently established a reputation for being a wit, in the broadcast of a letter on the convention examination issue, extends the invitation to White Sulphur Springs in the form of a resolution that is entitled, "Departmental Ruling No. 1,000,0001." It reads:

Virtues of West Virginia

"Whereas, West Virginia is known as the Switzerland of America, famed for its fine cattle, grazing upon thousands of hills dotted in Kentucky bluegrass, beautiful women, and the finest quality of moonshine likker distilled in copper in the deepest recesses of the caverns of the Allegheny mountains;

"And, whereas, White Sulphur Springs Hotel is one of the finest of hostleries in the United States, famed far and wide for its comforts and the culinary art and for its golf and tennis courses and riding circuits;

"And, whereas, this famous hotel is situated on the main line of the C. & O. Railroad, affording convenient accommodations from all parts of the East and West, with connections with other railroads affording easy access from all sections of the whole United States for an expeditious journey to and from this spa;

Need Bucolic Insight

"And, whereas, the National Association of Insurance Commissioners' convention customarily meets at various and sundry points from year to year to suit the convenience of the commissioners of various sections;

"And, whereas, most of the commissioners live in the great metropolitan centers where they are harassed by noise and the din of industry;

"And, whereas, said commissioners are much overworked and fagged out so they need to hie unto the hills and mountains for surcease from all of their troubles;

"And, whereas, the commissioners have lived in the great cities so long that they have forgotten what a Hereford steer looks like and wouldn't recognize a rattlesnake if they could see one;

"Now, therefore, I, Edgar B. Sims, auditor of the sovereign state of West Virginia and ex-officio insurance commissioner, do hereby make, proclaim, publish, and promulgate to the whole of the United States, Dominion of Canada, and the rest of the known world and all of the creatures thereof, that the National Association of Insurance Commissioners' convention shall be held at White Sulphur Springs, W. Va., during the month of June, 1940, and all of the commissioners are hereby required to attend with all appropriate appurtenances belonging thereto.

"Any insurance commissioner failing and refusing to attend shall be excommunicated, ostracized and shall suffer all of the penalties of the law made and provided.

"P. S. What the insurance commissioner says goes in West Virginia."

D. D. Miller, who has been with the Cecil Runyan general insurance agency in Paw Paw, Mich., for 3½ years, has taken over the agency.

Blackall Comments on Zone System

Commissioner Blackall of Connecticut, in a talk before the Securities Commissioners Association holding its annual meeting at Skytop, Pa., stated that he is still open-minded as to the proper plan to pursue with regard to examination of companies. He said that it is too early to determine whether or not the zone method is thoroughly sound and adapted to the business. Commissioner Blackall was asked to speak as to the experience of the National Association of Insurance Commissioners, thinking that if this plan had been successful it might be adapted to the examination required by the securities division.

Four Main Objections

Mr. Blackall cited four main objections to the convention plan and said that Connecticut is going along with it because he felt that the arguments for it were as strong as those opposed to it. Concerning the statement that one of the reasons for convention examinations was to provide jobs for political patronage, Commissioner Blackall said that he was not prepared to say that the argument has substantial weight. The commissioners, he said, have not arrived at a definite formula on convention examinations, but the association has reached a point where a substantial majority are prepared to adopt the idea of reasonable representation and are further prepared to give the method a very fair trial. If a proper representation, he said, can be ultimately worked out, then it will have merit to it.

Lorton in Indiana Field

P. M. Lorton, who has been doing special field work for the Travelers Fire at the home office, has been transferred to South Bend, Ind., as special agent for northern Indiana, working with D. W. Hobbs, manager there.

According to PHIL

By Phil Branniff
Insurers Indemnity &
Insurance Co., Tulsa



One of the most amazing characters in Aesop's fables was Aladdin, who had but to rub a lamp to enjoy the gratification of any wish. Few people ever read the yarn without secretly envying Aladdin. Any normal person has wished for something—something so hard to get—so seemingly impossible. And yet, most of the things people wish for are possible to possess by the simple process which Aesop outlined—just a little lamp rubbing. When a fellow rubs his lamp and gets a bead on what he wants, if he's a reasonably determined sort of a fellow, he'll get it.

Anyone these days with his eyes open and his head clear, has a splendid opportunity to accomplish things which even Aladdin wouldn't dare dream of. These are days when the magic carpet is an ordinary rug in an ordinary airplane, traveling through the sky on schedule with safety and comfort. These are days when a man may go around the world faster than Jules Verne could imagine it. These are days when you not only must rub your lamps but you must keep them open. Anything can happen these days, and does. The canyons of commerce show outcroppings of pay dirt. Millions of dollars are idle in banks waiting for new ideas to liberate them from cold storage. It's a set up, if there ever was one. Rub your lamps.

PHIL.

S.E.U.A. Meeting Nov. 13-15

ATLANTA—A heavy agenda is anticipated for the semi-annual meeting of the Southeastern Underwriters Association at the Carolina Hotel, Pinehurst, N. C., Nov. 13-15.

Hartford College Opens With 30 Students

HARTFORD, CONN. —The Hartford College of Insurance opened its first academic year with 30 students admitted out of an application list of 75. Of the 30, 83 percent were graduates of approved colleges or universities and the others were non-college graduates employed by insurance companies who were highly recommended by their executives.

The college, a graduate school, was established in May by Hartford College of Law and a group of insurance company executives. This year only freshman classes will be conducted, and thereafter the work will be added as the present freshman class advances.

Dr. E. G. Baird is director. He is also dean of the law college. The faculty includes Prof. G. W. Lillard, librarian and secretary of both the law and insurance colleges; Prof. T. F. Tarbell, actuary Travelers, who has collaborated in writing insurance textbooks; Prof. R. J. Walker, actuary Aetna Life and instructor of that company's group life school, an authority on hospitalization insurance; Prof. L. R. Ringer, director educational extension division Aetna Casualty & Surety, who conducts the home study course in casualty and surety lines for agents and prepares material for and organizes classes in field offices; Prof. C. D. Long, economics department Wesleyan University.

The first year work covers fundamentals in three courses: (1) Life, health and accident and group insurance; (2) casualty and fire insurance; (3) insurance and law. The first two are evening courses and in course 3, law is a day subject and insurance is taught of evenings. The curriculum is accredited, leading to LL.B. and M.S. degrees after four years' work have been completed.

O. J. Arnold Speaks Oct. 13

O. J. Arnold, president of Northwestern National Life of Minneapolis, will be the speaker at the insurance luncheon of the Illinois Chamber of Commerce in Chicago, Oct. 13. Mr. Arnold, who is chairman of the insurance division of the U. S. Chamber of Commerce, will speak on "Relationships of Business to Insurance." George R. Kendall, president of Washington National of Evanston, Ill., will preside as chairman of the insurance division of the Illinois chamber.

CONVENTION DATES

Sept. 20-22—National Association of Mutual Insurance Agents, Buffalo.
Sept. 21—Vermont Agents, Basin Harbor, Lake Champlain.
Sept. 22-23—New Mexico Agents, Franciscan Hotel, Albuquerque.
Oct. 1-3—Insurance Advertising Conference, Statler Hotel, Boston.
Oct. 2-4—Convention of Mutual Company Organizations, Stevens Hotel, Chicago.
Oct. 2-5—National Association of Insurance Agents, Statler Hotel, Boston.
Oct. 9-12—Annual Casualty Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.
Oct. 10—New Hampshire Agents, Carpenter Hotel, Manchester.
Oct. 13-14—Insurance Federation of New York, Hotel Arlington, Binghamton.
Oct. 16-18—Ohio Agents, Biltmore Hotel, Dayton.
Oct. 17-18—Western Insurance Bureau, Shelburne Hotel, Atlantic City.
Oct. 18-20—Kansas Agents, Jayhawk Hotel, Topeka.
Oct. 19-20—Ontario Agents, Royal York Hotel, Toronto.
Oct. 19-20—Wisconsin Agents, Hotel Wausau, Wausau.
Oct. 19-20—Tennessee Agents, Hotel Hermitage, Nashville.
Oct. 19-21—Maryland Agents, Carvel Hall, Annapolis.
Oct. 23-24—Missouri Agents, Elms Hotel, Excelsior Springs.
Oct. 25—South Dakota Agents, Huron.
Nov. 3-4—Oklahoma Agents (midyear), Oklahoma City.
Nov. 8-9—Illinois Agents, Abraham Lincoln Hotel, Springfield.
Nov. 9-10—Indiana Agents, Indianapolis Athletic Club, Indianapolis.
Nov. 13-15—California Agents, Hotel Oakland, Oakland.
Dec. 6-9—Insurance Commissioners, Edgewater Gulf Hotel, Edgewater Park, Miss.



NATIONAL UNION

FIRE INSURANCE COMPANY

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For cooperation that brings tangible results
For courtesy and promptness in all transactions

For progressive and consistent underwriting practices

For unquestioned financial strength

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The **SPRINGFIELD GROUP**
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Geo. G. Bulkley, President

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SENTINEL FIRE INSURANCE COMPANY • SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY • DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY • PITTSFIELD, MASS.

EDITORIAL COMMENT

Now Is the Time to Mobilize

BLANKETING of the monopoly investigation of life insurance by European crisis and war news has had the good effect of keeping the public from getting unduly excited about the one-sided portrayal of the insurance business that is being pieced together in WASHINGTON. But, from a long-term viewpoint, this is in some ways the most dangerous thing that could happen.

As the inquiry draws near its conclusion, more and more insurance men have realized that the investigation is nothing to get particularly nervous about. They are still irked at the bland—perhaps unconscious—hypocrisy of an inquiry proclaiming itself as unbiased in objective and then rigorously excluding all favorable material or else using it in such a manner as to disclose only the unfavorable facts. But they are reassured to find that even such a distorted presentation can be blared forth without the structure of life insurance collapsing in ruins or even exhibiting a crack. Thinking in terms of actual effect on the business, they are likely to conclude that the investigation was not really so bad and that perhaps its menace had been overrated.

It is in just this attitude that the danger lies. It plays directly into the hands of the SECURITIES & EXCHANGE COMMISSION. Its aim is obviously to put the insurance business under federal supervision and, while attention so far has been mainly directed at life companies, it seems unlikely that fire and casualty will escape if the life business is made subject to federal regulation. In spite of the protestations of the SEC that it has no preconceived objectives in its insurance study, there can be no doubt that it is out to get federal control of insurance. This aim is apparent in the nature of the questioning. Everything is being done to discredit state supervision and the general procedure of having the companies which do an interstate business regulated by the several states individually rather than by one central authority.

If life insurance men merely look at the sensationalized revelations brought out by the SEC at the hearings and mutter "those muckraking so-and-sos," they will miss the entire point of the investigation—to the great glee of the SEC. For while a secondary aim may be to make headlines, the primary aim is to build a record and the record to date shows that practically all the evidence, sensational or dull, is aimed at discrediting state supervision of insurance.

This record will be the basis of the final report and recommendations. It is obvious that the report will recommend federal supervision of insurance. The important thing is that this will be no idle suggestion of a government bureau but will be backed by testimony under oath, not by government experts who might be charged with bias, but by company officials and agents. Few will read the record itself but when the SEC submits its recommendations, backed up by its voluminous record, it will be a difficult matter to set forth equally convincing evidence to the contrary.

It will take some time to complete the building of the record and even longer to compile and submit the report and recommendations. War conditions will probably result in action by Congress being delayed considerably longer than would normally be the case. This gives the insurance business that much longer to sell the country on the merits of retaining the present system of state supervision and not going to federal control. The greatest mistake that could possibly be made would be to wait until the SEC and the monopoly committee have laid their cards on the table and revealed their recommendations. It is sufficiently obvious now what these recommendations will be. By the time they are put into an official report it will probably be too late to combat them effectively.

So far there has been no attempt to sell the country the idea of federal supervision. Material that has been brought out thus far in the hearings may even seem poorly integrated. But neither does the foundation of a building look like much to the casual observer. The architect, however, knows just which elements in the foundation are going to support the important components of the final structure. Likewise, insurance men may be surprised at how effectively the record that is being built at Washington will support and document the plea for federal regulation of insurance.

There is no use relying on the magnificent record that insurance has made. It is not that record but the one written into the transcript of the TNEC hearings that is going to carry weight when the showdown comes unless the public knows the true story. Right now is the time for mobilization of all forces if the insurance business is not to be saddled with a new burden, detrimental to the business and to the policyholders. Perhaps there is something to be said for federal regulation. If so, it is vital to

determine what type of federal regulation will be most beneficial and then work actively for that rather than take whatever is handed out.

But if, as the preponderance of insurance opinion indicates, federal regulation has little to recommend it and much against it, no time should be lost in reselling the public on insurance as presently constituted. Other businesses, notably the chain stores, have succeeded in warding off inimical legislation by

taking their case to the public in an aggressive fashion. The insurance business has months, perhaps a year or so, in which to arouse public appreciation of the job it is doing and to fortify the present system against a type of regulation which, though well intentioned, would effect little in the way of improvement that is not possible under the present setup, while adding new factors which would probably result in a vast amount of burdensome complications.

PERSONAL SIDE OF THE BUSINESS

Mrs. Jennie Sue Daniel, former editor of the "American Agency Bulletin," who has been spending the summer in North Carolina with her sister, is visiting for the present in Cincinnati, being located at 262 McGregor avenue. She has no definite plans for the future.

C. E. Allan, Pacific Coast manager of the Northern Assurance, is sharing the triumph of his son, Keith Allan, at a concert in Berkeley, Cal. Young Mr. Allan appeared with Miss Mildred Opillito, soprano of the Cincinnati Opera Company. He showed marked talent in a repertoire of wide range from the classics to modern ballads.

R. M. Evans of the Witmer-Kauffman-Evans Agency has been reelected president of the Des Moines park board for a third term. He is a former president of the Iowa Association of Insurance Agents.

Gen. J. F. Howell of Howell & Bachman, still actively engaged in the insurance business at 94, was elected commander in chief of the Confederate Veterans at the annual meeting. He went into insurance at 60 after retiring as president of Virginia Intermont College.

F. M. Supplee, president of J. Ramsay Barry & Co. of Baltimore, has returned from a two months stay in Europe, being caught in Italy at the outbreak of the war. He started from Italy on an Italian liner which was recalled to port and he and his family were forced to make their way to Lucerne, Switzerland, and then to London, where they sailed for this country.

In mentioning that **C. K. Reilly** had returned to his work with National Union Fire after an illness, he was incorrectly identified as general agent in the eastern department and as being located at Newark. Mr. Reilly is one of the most capable underwriters of National Union and is located at the head office. Mr. Reilly naturally holds the city of Newark in high esteem but he has never been there either on business or pleasure. He had been hospitalized for about nine months.

D. N. Iverson, assistant U. S. manager of Century of Scotland, has returned to his desk after an absence of seven weeks due to a heart ailment.

Friends and associates of **R. W. Neal**, dean of the insurance journalists of the Pacific Coast, who recently retired, surprised him on his 75th birthday by sending him congratulatory messages and gifts. Mr. Neal established the "Pacific Underwriter & Banker" in 1886 and later published the first handbook in Califor-

nia. For many years he was also publisher of Neal's Charts for fire and casualty business on the Pacific Coast.

DEATHS

H. A. Haskell, independent adjuster of Ashland, Ky., died after a lingering illness of a year or more. Funeral services were conducted Monday. He was formerly special agent and adjuster for National Union, covering West Virginia and Kentucky. For the past several years he had been an independent adjuster.

William H. Burghardt, pioneer local agent of Salem, Ore., died in San Francisco. His agency, which has operated for about 25 years, will be continued by his widow, who will take an active part in the business. The agency henceforth will be known as the William H. Burghardt Insurance Agency.

Joe A. Vera, 64, partner in the Vera, Reynolds & Co. agency, Fort Worth, Tex., died suddenly. A. B. Vera, his brother, will continue the agency.

Lambert C. Hickey, 49, Lockport, N. Y., local agent, died there from a heart attack. He entered the insurance business about 20 years ago.

A. E. Dietz, 29, president and treasurer of Dietz & Schmitt, Milwaukee agency, died after an illness of several months.

Ovid Boudry, 62, local agent at Fond du Lac, Wis., for 30 years, died there.

Miss L. E. Gage, member of the office staff of the McGraw Agency in Detroit for more than 50 years, died there.

Roscoe R. Paine, 61, for 20 years a well known insurance broker in Portland, Me., died suddenly.

F. T. Sullivan, 57, Fayette, O., local agent, died from apoplexy.

Lumbermen's Mutual Meeting

The Lumbermen's Mutual of Mansfield, O., held its 88th semi-annual meeting of the directors. President C. H. Keating reported that in the first six months the assets had increased \$159,276, bringing the total to an all-time high of \$3,211,087. The voluntary reserve was increased \$24,228, which brings surplus and voluntary reserve to a total of \$1,206,114. This is also an all-time high in the history of the company. Premiums in force increased \$231,187 during the first six months.

President Keating stated that the general upward trend in fire losses, together with the unsettled investment situation, plus the possibility of still higher taxes, is making it increasingly difficult for companies to make a satisfactory showing.



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Canadian War Risk Rates Lower Than in U. S.

TORONTO—War risk and bombardment insurance rates in Toronto and vicinity were doubled this week, largely because of a heavy volume of inquiries. Reports, however, indicate that not much business has actually been written. The new rates are 30 cents on fireproof structures and 50 cents on other construction. Rates for dwellings and other private property are 10 cents for fireproof risks and 16 cents for others. All rates are based on 50 percent coinsurance. It is believed that the same situation exists throughout eastern Canada.

Even with the increases, these rates compare favorably with those charged in the United States on property in coastal and Mexican border states. For property in the occupancies classed as hazardous, such as munitions and airplane plants and storage places, instrumentalities of transportation and communication and food and oil storage places, rates published by the American Explosion Conference are 50 cents for fireproof construction and 75 cents for other risks. Other occupancies are charged 10 cents if fireproof and 15 cents otherwise. The same coinsurance requirement applies.

Sabotage Also Written

As in the United States, sabotage coverage is written separately from war risk insurance, at rates of from 5 cents to 25 cents. These also average lower than American rates. Sabotage has also been quoted by some firms at an additional premium of $\frac{1}{2}$ of 1 percent over the regular property damage rate. Little business is reported written.

Some American companies have been using the company class division in force in the United States. They are also charging lower rates than on American risks, the rate for the hazardous occupancy group being 30 cents on fireproof risks and 50 cents on other classes, while the non-hazardous group takes rates of 10 cents and 16 cents respectively, all with 50 percent coinsurance.

Reports on Agency Situation in Oklahoma City

C. P. Haskett has submitted his report as chairman of the contact committee of the Oklahoma City Insurers Association. The committee was set up last November to meet with a similar committee appointed by the Field Club. The committee has made an analysis of the agency situation in the city and concludes that non-affiliated and W. I. B. companies are the cause of a greater proportion of multiple plants per company than are the W. U. A. members; that non-affiliated and bureau company agents have a higher proportion of solicitors than do the W. U. A. agents.

The committee asks that the report be adopted, that each member immediately enforce the in and out rule and that members support only cooperating companies.

The committee finds that there were 404 agents in the city as at Aug. 18 of which 266 are qualified, in the opinion of the committee, and 138 not qualified. There are 165 W. U. A. agents of which 115 are set down as qualified; W. U. A. solicitors 66, 52 qualified; non-affiliated and bureau agents 103, 57 qualified, non-affiliated and bureau solicitors, 70, 42 qualified.

N. Y. Examiner Is Retiring

C. S. Fowler, one of the well known examiners of the New York department, is retiring from service Oct. 1. He has been in the service of New York state

25 years in all, although his service was interrupted when he served as assistant general counsel of the National Board of Fire Underwriters, and then as secretary of the Compensation Rating Board, as an officer of Ocean Accident and as an attorney for the New York Title & Mortgage Co.

Boy Scout Loss Settled

The Boy Scouts of America announce receipt of \$13,000 final settlement of insurance claims from Hartford Fire arising from damages and losses of equipment used in the "tent city" that was set up in Washington for the National Boy Scout jamboree.

Weinstock Administrative Assistant

SAN FRANCISCO—S. L. Weinstock, former senior deputy in the legislative counsel bureau, has been appointed administrative assistant in the San Francisco office of the insurance department. He succeeds D. R. Luckham, who has been transferred to the Los Angeles office.

Mr. Weinstock is well known in insurance circles having worked on annotation of the insurance code while with the legislative counsel bureau and received his early training with Daniel Burbank of San Francisco, insurance attorney.

Warner Analyzes U. S. Branches

(CONTINUED FROM PAGE 6)

the assets of such United States branches must be in accordance with our state laws and adequate reserves maintained at all times to cover all liabilities.

Assets Held in Trust

"The deposit-capital and practically all assets of the American branches over and above every day working requirements are held in trust by an American trustee (usually a large American trust company) or are in the custody of state insurance departments. The trustee will not release the whole or any portion of such funds except with the prior consent of the insurance department of the state in which the branch is located. Therefore, in no eventuality, whether of war or otherwise, can any portion of these trust funds be withdrawn except with this consent, which obviously would not be given in any way inimical to the interests of the American policyholders or creditors.

"It will thus be seen that for all practical purposes the United States branch

of a foreign company is a separate entity, operating strictly in accordance with United States laws and having its own independent funds and reserves. No problem due either to the withdrawal of funds or to depreciation of the pound sterling can therefore arise, as was amply demonstrated during the war of 1914-18."

Insurance Stocks Vary

Activity in insurance stock sales has been according to the holdings of the various companies in general securities. The companies with more speculative portfolios have risen considerably, while others which are more conservative investors have remained about the same and in some cases gone down. Life and casualty stocks, because of the more conservative nature of their investments, have declined slightly.

Virginia F. & M. Names Kopf

In succession to J. G. Baldwin, resigned, Virginia F. & M. has appointed J. S. Kopf special agent in New York state, with headquarters at Syracuse.

S. T. Shotwell, manager of the automobile department of North British & Mercantile, will speak before the Richmond County Association of Local Agents at St. George, S. I., Friday.

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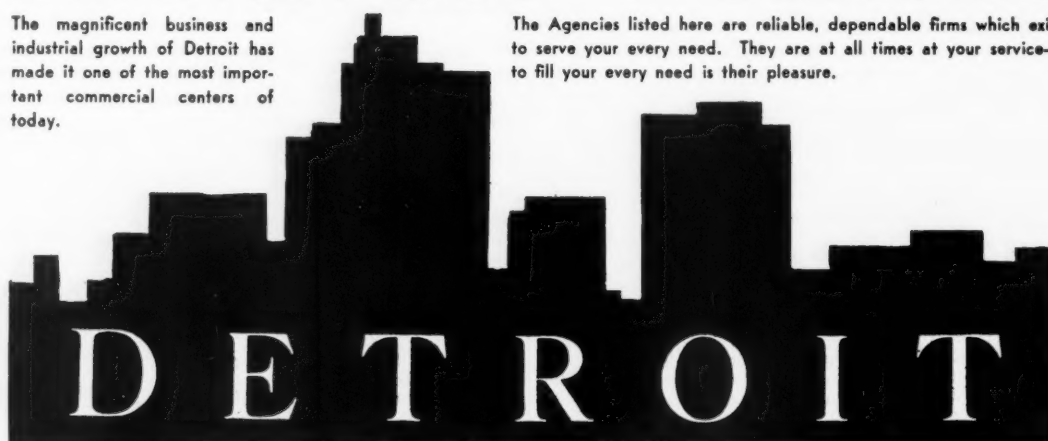
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Michigan Agents Meet at Saginaw

'Teamwork' Conclave Features Fleming, Smith as Speakers

Commissioner Emery Addresses Agents at Banquet on Tuesday Night

SAGINAW, MICH. — Celebration of an all-time membership high added zest to the annual convention of the Michigan Association of Insurance Agents, which this year had "Teamwork" as its principal theme.

Addresses by outstanding business and insurance men were well received and great interest was evidenced in the material and ideas presented.

Smith Urges Self-Examination

Sidney O. Smith, Gainesville, Ga., chairman executive committee National Association of Insurance Agents, speaking on association activities, declared that the hour of critical self-examination has arrived and while it may not prove pleasant or interesting, it may prove useful. He said:

"So vast has become the fabric of private insurance within the past two or three decades and so refined and intricate has today's coverage been developed that each morning I open my mail with jittery fingers fearful of the revelation that some new rules must be digested, new forms and coverages comprehended and instant reform of contracts demanded before I can take to the street to sell and collect.

"Trial and Error" Inadequate

"If the agent of today dreams of a tomorrow, such a realization can come only through work, study, training, education and still more education.

"Despite the fact that insurance in this country today is chiefly conducted by the self-trained, the self-educated and the old trial and error process, I risk the prophecy that knowledge of the business acquired in this manner is no longer adequate. With the awakening to the need for formal training it seems to me that the demand for our business to lift itself out of the shadows of in-

Mullally Urges Vigorous Support of Agency System

Quoting scripture to illustrate his remarks—"prove all things, hold fast to that which is good"—President Martin Mullally, Muskegon, in his annual report, urged the membership to play a vigorous part in continuing and furthering the American agency system.

"It is time to stop, look and listen," he said, "for some part, whether it be large or small, that each one of us can play as individuals in protecting our system. We see springing up all about non-stock or non-capital invested organizations which if not fought and opposed with all of our vigor will eventually destroy our method of doing business.

"By our opposition we do not mean that our profit system of doing business is 100 percent correct or proper, and that it does have its injustices, but we do say that it is far superior to any system ever carried on or reproduced in this country or any other country that we have knowledge of.

"Some of our stock company representatives will go out and sell non-stock

coverages to an assured merely for the sake of obtaining a few commission dollars at the time. A continuation of this will eventually turn the handling of insurance over to non-stock organizations and contribute to the downfall of the American agency system."

While reporting an alltime high of 575 members, a gain of 58 over the past year, Mr. Mullally decried the lack of interest shown by those engaged in the business. He urged a membership of at least 700 in the state of Michigan, this being necessary to maintain a well balanced budget and aggressive program. High praise was accorded the National association for its cooperation and assistance throughout the year. A pledge of continued cooperation and confidence in the National association was extended.

As the convention marked the close of the first full year of operation under the direction of Mr. Hildebrand, secretary-manager, Mr. Mullally reported that this phase of the association had operated very successfully. Mr. Hildebrand's efforts were commended highly.

Hildebrand Reports Progress

W. O. Hildebrand, secretary-manager, reported on the progress made during the past fiscal year. Referring to efforts of the association to raise professional standards, he said that it is particularly concerned in eliminating from the ranks of business producers those who should not be there and raise the professional standards through a process of education.

The insurance commissioner was quoted as saying that approximately one-half the number of licensed agents could and should handle the business in Michigan. In speaking of education, Mr. Hildebrand said the acquisition costs of business would be beneficially affected if licensed producers were required to take a course of instruction in insurance and if this were the case the public relations problems and other major apprehensions would be lessened.

"We believe that increased interest in association work means more teamwork and with proper teamwork there is every reason to believe that our problems can be satisfactorily handled among ourselves and that there will be no break in the tenure and security of the American agency system."

W. A. Doyle Is Named New Head at Annual Rally

Mullally Ends Second Term—Q. & A. Period Is Animated Feature

NEW OFFICERS ELECTED

President—W. A. Doyle, Highland Park.

Vice-president—David A. Forbes, Grand Rapids.

Treasurer—Guy M. Cox, Iron River. Secretary-manager—W. O. Hildebrand, Lansing.

National Councillor—George W. Carter, Detroit.

Executive Committee—Carl Trager, Lansing; John P. Old, Jr., Sault Ste. Marie; R. J. Sage, Ironwood; D. T. Maranette, Detroit; Arno Schorer, Kalamazoo; H. M. Thatcher, Pontiac; H. D. Wilson, Grand Rapids; E. R. Moore, Port Huron; G. W. Power, Traverse City; J. W. Mundus, Ann Arbor; P. H. Lovell, Benton Harbor; Fred L. Winter, Muskegon; H. W. Brady, Saginaw; W. C. McCune, Petoskey; Fred Roper, Menominee.

By HOWARD J. BURRIDGE

SAGINAW, MICH.—A new high for the Michigan Association of Insurance Agents, in membership, interest and enthusiasm was evident at the annual convention held here this week. In the first place, there has been a membership increase of 58 during the year, and the total now stands at 575, an all time high mark. Not only that, but the membership goal has been set at 700, and even the conservatives assert it will be reached. Thus Michigan is moving up into the higher brackets as to membership.

In the second place, in just a little over a year, W. O. Hildebrand, secretary-manager, has become the hub around which the Michigan association revolves. He is hard hitting and hard

(CONTINUED ON NEXT PAGE)

insurance illiteracy may now be successfully met."

Mr. Smith also presented some interesting figures concerning agents and companies in the United States. They are as follows:

Agents	
Number of local agents.....	150,000
Number of agency employees..	375,000
Salaries paid by local agents..	\$562,000,000
Taxes paid by local agents and their employees.....	56,200,000
Companies	
Capital and surplus	\$1,966,321,450
Amount government securities owned	500,000,000
Number of company employees	65,000
Wages paid company employees	\$195,000,000
Taxes paid by companies and company employees	\$119,500,000
Number of persons engaged in adjustment and salvage employment	5,000
Number of persons in map and credit organization employment	4,000
Number of persons engaged in rating bureau employment	2,500

Agent Is "Counselor"

T. A. Fleming, conservation director National Board, depicted the insurance agent as the "counselor" for his clients.

He said: "They must depend on you

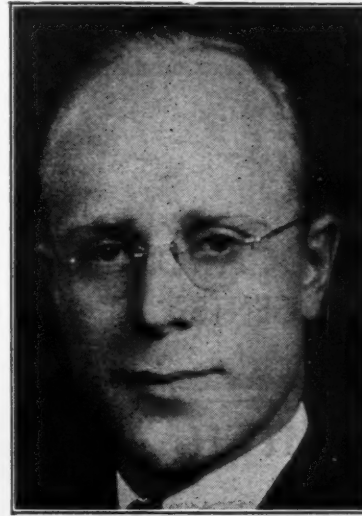
(CONTINUED ON PAGE 23)



W. A. DOYLE, Highland Park
New Michigan President



MARTIN MULLALLY, Muskegon
Retiring President



W. O. HILDEBRAND, Lansing
Secretary-Manager



J. M. CROSBY, JR., Grand Rapids
National Membership Chairman

W. A. Doyle Is Named New Head

(CONT'D FROM PRECEDING PAGE)

working. His energy has put new life into the organization. What he has achieved in a comparatively short space of time has awakened the membership as a whole to the possibilities. "Hilde," as he is called by most of the agents in Michigan, has done an outstanding job. His continuance in office assures another successful year for the Michigan association.

In the third place, the association's new president, W. A. (Bill) Doyle, Highland Park, is a representative local agent and popular with the membership. He has been one of the wheel horses of the association, and his administration is certain to be resultful. Mr. Doyle has been a local agent in Highland Park for 30 years. Highland Park is a municipality of three square miles entirely surrounded by Detroit. Mr. Doyle has been vice-president of the Michigan association during the past year and served as treasurer in 1938. He served for two terms as president of the Detroit association. He is also vice-president of the Iodent Toothpaste

Co.; president of the Highland Park Council of Social Agencies, and treasurer of the Highland Park Community Center.

Attendance Exceeds 250

The attendance at Saginaw exceeded 250. President Martin Mullally, Muskegon, serving his second term as the head of the organization, wielded the gavel. He kept the convention machinery functioning properly at all times.

W. A. Doyle, at the time vice-president, opened the gathering impressively by leading in the singing of "America." The invocation was given by the Rev. Wilbur D. Gross of Saginaw. W. S. Baum, Saginaw, general chairman of the convention, extended a few words of greeting. He mentioned that the Michigan association had met last in Saginaw 31 years ago. The response was given by Fred L. Winter, Muskegon.

Officers Give Reports

In his address as president, Mr. Mullally outlined the accomplishments of the organization during the year. J. W. Mundus, Ann Arbor, reported as chairman of the B. D. O. committee. David A. Forbes, Grand Rapids, read his annual report as treasurer. It showed the association to be in a flour-

ishing condition financially. Secretary Hildebrand submitted his report.

The concluding speaker at the first session was George W. Carter, Detroit. He gave the report as chairman of the conference committee. He recited in detail several of the situations that arose during the year and told of a number of meetings with company officials.

T. Alfred Fleming, National Board of Fire Underwriters, opened the afternoon meeting on Tuesday with his talk on "Insurance, the Mainstay of Credit."

John A. Smith, Grand Rapids security salesman who spoke on consumer cooperatives, was introduced by A. R. Millard, president of the Grand Rapids association.

New Dues Schedule

George Carter spoke on the new dues schedule. For the past two years he has been chairman of the sustaining fund. The dues have been placed on a basis of percentage of premiums written. Mr. Carter urged every member to place himself in the proper dues classification.

Clyde B. Smith, Lansing, submitted the report as chairman of the laws and legislation committee.

A questions and answers period was presided over by W. A. Doyle. It was one of the convention's most animated sessions. The first question was what effect the entry of the United States into the war might have on policy contracts. It was explained that rates are being promulgated for war hazard coverages which can be added by endorsement to existing policies.

Where an assured owing several years back taxes has a total loss, can the state collect part of the loss to cover taxes? It was said the state could not obtain part of the loss money, and could only recover its loss by taking tax title.

Covering Tax Title Buyer

Does a tax title buyer have an insurable interest that can be covered by a policy? It was declared that he could have a policy issued showing all parties at interest and the loss would be paid as the various interests were established.

Can an assured owning an accident reimbursement policy whose disability is paid under workmen's compensation also collect under his accident policy, thus being paid twice? The answer given was that most accident policies of this type would pay in addition to compensation benefits.

Why can't fire policies in Michigan be renewed with renewal certificates? It was developed that there is no law prohibiting it, but that it is simply contrary to company practice.

Is plate glass covered by an existing policy in a building that is being remodeled? Yes, if it remains in its original setting. There were numerous

State Official Present at Michigan Meeting



JOHN G. EMERY, Lansing

Insurance Commissioner John G. Emery, always welcome at insurance meetings, spoke briefly and extended greetings on behalf of the department. Mr. Emery was one of the early national commanders of the American Legion. He is rapidly becoming acquainted with the insurance people of his state.

Detroit Leader Renamed as National Councillor



GEORGE W. CARTER

questions relating to U. & O. coverage that were asked and answered.

Can a policy be canceled through the use of one cent postage? In the cases that have gone to court it has been decided that registered mail should be used.

Important Committees Named

President Mullally appointed these two important committees to serve during the convention:

Nominating—E. J. Quick, Muskegon, chairman; C. E. L. Burwell, Grand Rapids; F. L. Condon, Battle Creek; H. A. Culp, Grand Ledge; C. W. Dow, Flint.

Resolutions—C. F. Trager, Lansing, chairman; Guy M. Cox, Iron River; C. E. Freese, Detroit; D. E. Bowen, Kalamazoo and J. T. Todd, Bad Axe.

Banquet Is Well Attended

Douglas H. Nelson, Saginaw, presided at the banquet which was more heavily attended than any in recent years. All of the living ex-presidents of the association were introduced. O. A. Jenison, Lansing, who headed the organization in 1909 indulged in some reminiscences. He said that he had reentered the business last January with his son Austin at the age of 74. George M. Goodell, Lansing, who was president in 1918 and is now 78 gave some of his experiences. L. H. Sanford, deputy insurance commissioner, was introduced. R. Perry Shorts, president Second National Bank of Saginaw, spoke on "Business and Politics." John G. Emery, Michigan insurance commissioner, was one of the

(CONTINUED ON PAGE 42)

Convention Notes

The delegation from Dearborn National Fire consisted of M. Robert Olp, vice president, and Robert Morse, special agent.

A. J. Holstein, Detroit, head of the general agency bearing his name, attended the sessions.

From the Lansing office of American States there were W. E. Niven, vice-president; W. H. Flint, field manager, and W. P. Cooney, claim superintendent.

A. O. Robinson, vice-president, and Leland Murdock, state agent Yorkshire Indemnity, mixed with old friends.

The contingent from the home office of Standard Accident was composed of C. L. Miller, branch manager; A. A. Clark, manager bonding department and four field men.

The Detroit office of Fidelity & Deposit was represented by Geo. Bortz, manager; H. C. Megrew, associate manager, and two special agents.

Edwin C. Gissing, manager of General Accident at Detroit, and four of his field men held open house.

GREETINGS

to the members of the

Michigan Association of Insurance Agents

Campeau, Mullally & Meier

Roy Doane

Riordan-Caughey

Lincoln Estes

Chaddock, Winter, Mulder,

Alberts

Castenholz Bros.

Risk Agency

Vanderwerp & Schrier

Conklin Agency

Stevens Agency

Smith, Easton, Quick

Forrest E. Haines

Muskegon Association of Insurance Agents

COMPLIMENTS OF
FLINT ASSOCIATION
OF INSURANCE AGENTS

GREETINGS

from

The SAGINAW ASSOCIATION of INSURANCE AGENTS

CLYDE B. SMITH

Insurance

Lansing, Michigan

"Teamwork" Meet Features Fleming, Smith as Speakers

(CONTINUED FROM PAGE 21)

in matters of insurance as they depend on their banker for their commercial transactions. Do you always follow through in each case in order that they may have a full understanding of their real needs along lines of protection? Do you scientifically analyze each risk and check values for increases and decreases as required by merchandise fluctuations?"

An example of loss of opportunity for service not only to a client but to 57 colleges and universities was cited by Mr. Fleming. A fire took place in the plant of a reclaiming company in Massachusetts where the athletic equipment of 57 institutions was stored for cleaning and servicing. The printed advertising of the company stated that goods in its plant were adequately covered by insurance. A loss occurred and the replacement value of the college equipment alone was \$36,000. Unfortunately the only insurance protection the plant had was a bailee policy for \$10,000. This policy was first taken out when the company was in its infancy and the amount was never increased.

"It happens that many leading company executives and insurance men are alumni of these schools," said Mr. Fleming, "and they are naturally on the spot as the result of one agent's neglect of duty. Surely this particular agent was forgetting his own interest and his own policy of protection by failing to be alive to public interest."

Two Problems Today

In speaking on "Business and Politics" at the banquet, R. P. Shorts, president Second National Bank & Trust Co. of Saginaw, said there are two big problems that face every business man today—scientific research and politics.

Formerly Mr. Shorts was very active in the insurance business as vice-president of the U. S. Health & Accident of Saginaw and later vice-president of Massachusetts Bonding. He was prominent in the work of the old Detroit Conference, which later became the Health & Accident Underwriters Conference.

Most every new form of business competition today comes from scientific research in one form or another. A great war is being waged between the old and the new. Consequently, the small business man must "research" for himself and the large business is no longer safe without a research department.

He scored politicians, stating that it is their favorite indoor sport in these days to attack the business man and imply that he is an undesirable citizen.

"Don't let a politician tell you that business is dishonest," he said. "The history of American business is but the history of the growth of high ideals, of men's confidence in one another, until today over 90 percent of all occupations and millions of dollars of business per year is done, not by the exchange of money but by the exchange of little pieces of paper on which honest men sign their names. This, as Bruce Barton said, is a magnificent edifice of American business—a temple of trust."

Declaring that nowhere in the state is there an agent who cannot have for the asking the educational benefit of one kind or another of insurance course, C. E. L. Burwell, Grinnell-Rowe Company, Grand Rapids, said there are four different types available: the weekly meeting of agents of a city or nearby district, the annual gathering at a central point of all agents in the state for several days, correspondence courses offered by companies and other organizations, intensive schools at some home offices.

He cited management as one of the greatest and yet least studied problems.

Michigan Veteran



GEORGE M. GOODELL
Lansing, Mich.

A special table was arranged at the Saginaw banquet for the living state past presidents. George M. Goodell, Lansing, is the oldest of the survivors.

He said: "By this I mean management of time, vitality and knowledge to produce the most useful and profitable results. So far as I am aware, there is nowhere any kind of text or rudimentary standard that could be used as an approach to that question in a study course."

"In addition to management we should develop further the training of our people, in sales technique and attitude. In 10 years our business should not have an order taker in its ranks. They should have turned into professional protection experts, selling what they know is right and not accepting orders for the policy the prospect may think he wants."

CONVENTION NOTES

A. L. Carr, vice-president of National Surety, Thos. Griffin, Detroit manager, and Rankin Martin, associate manager, represented that company.

Henry J. Kennedy, vice-president, and T. J. Hendra, Wayne county supervisor of Great Lakes Casualty, were on hand.

Bruce Richardson, solicitor for the Marxer, Nelson & Duff agency of Saginaw, was garbed as a policeman and herded them into the convention hall at the beginning of each session.

For the first time in many years there were no western managers of fire companies present as they were all attending the annual meeting of the Western Underwriters Association at White Sulphur Springs.

Saginaw hotels were jammed and many were forced to stay at Bay City, 12 miles away.

Attendance prizes were awarded by drawing at each session. They were donated by Detroit National Fire; Preferred Automobile; Detroit Fire & Marine; Standard Accident; Great Lakes Casualty; Wolverine; Michigan F. & M.; and State Accident Fund.

The program was printed in the form of a windstorm policy with the various sessions designated by clauses, endorsements and riders.

"Teamwork" was the convention theme.

There was an executive committee meeting and dinner on the day before the convention proper.

Entertainment for the ladies consisted of a luncheon at the Midland Country Club, a trip through the Dow Gardens, and golf at the Saginaw Country Club.

Wm. S. Baum, Saginaw, was general convention chairman. He had all of the details thoroughly organized, and all of the convention activities were carried through smoothly.

Telegrams urging attendance at the Boston convention of the National Association of Insurance Agents were received from R. A. Sullivan and H. R. Preston, co-chairmen and from the mayor of Boston.

Memorandum books were given to all registrants by Royal-Liverpool.

★ ★ ★ ★ ★ ★ ★ ★

**DEARBORN NATIONAL
INSURANCE COMPANY**

UNITED ARTISTS BUILDING • DETROIT
HOME OFFICE

D. F. BRODERICK
PRESIDENT

MR. R. OLP
VICE PRESIDENT

**FIRE and ALLIED LINES
AUTOMOBILE
INLAND MARINE**

ON THE SPOT
DECISIONS FOR
MICHIGAN
AGENTS

★ ★ ★ ★ ★ ★ ★ ★

**PLATE GLASS • BURGLARY
AUTOMOBILE
PUBLIC LIABILITY (ALL FORMS)**

**Great Lakes Casualty
Company**

BUHL BUILDING • DETROIT
HOME OFFICE

ARMSTRONG CRAWFORD
PRESIDENT

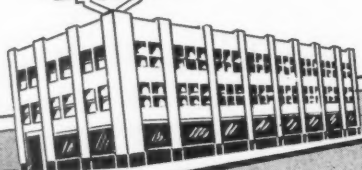
JAY KETCHUM
VICE PRESIDENT

★ ★ ★ ★ ★ ★ ★ ★

AMERICAN STATES

Pioneers Again!

AMERICAN
STATES
INSURANCE
CO.



AUTOMOBILE POLICY



AMERICAN
STATES
INSURANCE COMPANY
HOME OFFICE • INDIANAPOLIS, IND.

This beautiful New EXCEL Policy combines EYE-appeal with BUY-appeal. It's as attractive in appearance as it is in EXTRA coverages at NO EXTRA COST!

The New **EXCEL** Policy

Gives All These **EXTRA** Coverages That Are Usually Excluded or Not Included in the Standard Automobile Policy . . .

Driver and Car Are Protected Regardless of: . . .

- 1 The age of the driver.
- 2 Any state, federal or provincial law applying to the age or occupation of the driver.
- 3 Its use for charge or hire.*
- 4 Wherever the Assured drives in North America including Mexico, Canada and all other points outside of the United States, and while on vessels between any ports in North America.
- 5 Its use in any prearranged race or competitive speed contest.
- 6 Its use in the business of demonstrating or testing.
- 7 Its use for towing or propelling any trailer or house-trailer.

Including, AT NO EXTRA CHARGE, under loss or damage to the automobile: . . .

- 8 Loss or damage to personal effects up to \$100.00 caused by fire and lightning.
- 9 Glass breakage from any cause.
- 10 If the automobile is stolen, provides up to \$5.00 a day for the rental of a substitute automobile.
- 11 Theft of the automobile by any person in the Assured's household.
- 12 Theft through parting with the possession of the automobile through any fraudulent scheme, trick or device.
- 13 Theft of any tools or repair equipment even though the automobile is not stolen.
- 14 War, invasion, insurrection, riot or civil commotion.
- 15 Loss or damage caused by fire, theft, tornado, cyclone, windstorm, hail, any falling object, breakage of glass, earthquake, explosion, riot, insurrection or civil commotion, malicious vandalism.
- 16 Payment of total loss to the automobile within 30 days from the date Proof of Loss is filed.

Including, AT NO EXTRA CHARGE, under the Bodily Injury Liability and Property Damage coverages:

- 17 Any damage done by the Assured's trailer or semi-trailer, including house-trailers.
- 18 Both husband and wife are protected while driving any borrowed automobile; and for the occasional use of a hired automobile.
- 19 Non-ownership liability on chauffeurs and domestic servants.
- 20 Protection against liability for damage to rented or leased property.

Including, AT NO EXTRA CHARGE, in addition to the limits of liability:

- 21 To defend any suit against the Assured, even if groundless, false or fraudulent.
- 22 To pay the entire cost of all court proceedings, including witness fees and attorney fees.
- 23 To pay all interests accruing after entry of judgment even though the judgment may be in excess of the policy limits, until the Company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Company's liability thereon.
- 24 To pay the Assured for any expense, other than loss of earning, incurred at the Company's request, which would include any traveling and other living expenses necessary in attending a trial away from home. This is very important as oftentimes accidents happen at some distant point, and in the event of the trial of the case it would entail sizable traveling and living expenses to attend the trial.
- 25 To pay all premiums required on appeal bonds in any defended suit appealed by the Company.
- 26 To pay all premiums required on bonds to release attachments.
- 27 To pay the Standard Manual Premium on a bail bond, such bond not to exceed Five Hundred Dollars (\$500.00), in the event the Assured is involved in an accident covered by this policy and is arrested for violation of any motor vehicle law.

*Not applicable in Illinois.

Agents in Illinois, Michigan, Ohio and Indiana—write, wire or phone TODAY for further information about our New EXCEL Policy.

AMERICAN STATES INSURANCE CO.

AMERICAN STATES BUILDING • INDIANAPOLIS

DUDLEY R. GALLAHUE, President

EDWARD F. GALLAHUE, Sec'y-Treas.

The NATIONAL UNDERWRITER

September 21, 1939

CASUALTY AND SURETY SECTION

Page Twenty-five

Pink Finds No Cause to Act on Lloyds U. S. Trust Fund

Tells W. H. Bennett \$40,000,000 Deposit Is Primarily Banking Transaction

NEW YORK—Superintendent Pink of New York announces that in his opinion the \$40,000,000 trust fund deposited with the City Bank Farmers Trust Company as banking American trustee by Lloyds of London was primarily a banking transaction calling for no action by the insurance department. This statement was occasioned by numerous inquiries received by Mr. Pink with regard to the significance of this fund, one of which was from Walter H. Bennett, general counsel of the National Association of Insurance Agents. Mr. Pink's statement is contained in the following letter to Mr. Bennett:

"I have looked into the question raised in your letter with regard to Lloyds' trust fund with the City Bank Farmers Trust Company of New York and have studied the cases which you cite to uphold the theory that Lloyds cannot be sued in this state and that the trust fund is therefore ineffective. It does not seem to me that these cases uphold this contention. The purport of these decisions is to deny unauthorized companies the right to sue in this state. Here we are dealing with quite a different situation. Apparently the intention of Lloyds is voluntarily to subject the fund to the jurisdiction of the courts of this and other states in the interest of creditors in the United States having claims against it. There would seem to be nothing in the general law or the insurance law to prevent this.

Customary Banking Practice

"You also raise the question as to whether by reason of the establishment of the trust agreement Lloyds may be doing an insurance business in violation of the law of the state. I have examined the agreement and do not find anything which takes it outside of the banking character. Briefly, this fund, together with the income from premiums to be collected, is deposited with the trust company by Lloyd's agent and withdrawn from the trust company upon the order of the agent or the court. The trust company merely receives moneys, holds them in trust and pays them out when directed. This would seem to be a customary banking practice.

"The deposit which I understand will soon approximate \$40,000,000 in this country for the benefit of American policyholders, at this time of world stress and economic uncertainty, is a very substantial benefit to those American citizens who are insured in Lloyds and this includes many of our insurance companies and banks. The establishment of

(CONTINUED ON PAGE 36)

Strong Arguments Given for Retrospective Rating

Vice-president J. W. Randall of the Travelers, in his talk before the annual meeting of the Pennsylvania Association of Insurance Agents, made some observations on the retrospective rating plan, saying that ever since the acceptance of the doctrine of workmen's compensation insurance there has been a continuous effort to produce compensation rates commensurate with the hazard undertaken and to develop a system of the application of such rates in a manner which would not be unfairly discriminatory. The system of schedule rating was devised as a means of providing uniform departures from the average rate to reflect the existence or non-existence of various hazardous physical plant conditions. Then came experience rating and an effort to produce rates more acceptable to individual employers because of the recognition that the actual experience produced by an individual risk possessed some evidential and ratable value. Mr. Randall said the rapidity with which hours of labor, wage scales and methods of procedure are adjusted to meet the requirements of economic changes and the certainty with which the cost of compensation insurance must follow changes in benefit provisions of the compensation law lead all to a realization that companies must constantly endeavor insofar as possible to reflect the facts of the present in the compensation rating system.

Retrospective Plan Devised

The retrospective rating plan is now in effect in 32 states. Pennsylvania is one of the few important ones in which the plan is not yet applicable. Mr. Randall declared it is evident that the lag in the process of utilizing past experience, particularly by means of the experience rating plan, does not give recognition to the trend of the individual risk experience as promptly as might be desired by the assured and the company. Where there are changes in law benefits the raters then must make estimates as to their effect. The estimates are made with care and with regard to all available statistics. It is necessary to base them on average conditions which admittedly do not hold for each individual risk, Mr. Randall pointed out. In the course of time this tends to straighten itself out as experience has accumulated under the revised law. In the meantime, however, there may be considerable difference between the estimates and the actual cost in the case of certain individual risks. This is of more concern to the larger than the smaller risks.

Will Eliminate Differences

The application of retrospective rating, Mr. Randall contended will eliminate such differences, since the final adjusted premiums will be based on the actual losses incurred by the risk during the policy period. The insurance premium is determined retrospectively on the basis of the actual losses incurred during the policy period. In other words, he pointed out, that instead of the premium being fixed on the basis of expected losses, it will be adjusted to reflect the actual losses as related to payrolls for the period of coverage.

He claimed that the plan is relatively simple in principle and readily explainable. It is available to any risk with an estimated annual premium of \$5,000 or more at standard rates. He thinks it is but a matter of time when the \$5,000 qualification is reduced to \$2,000, for example. Conservatism at the start, he said, is a protective measure to employers. Retrospective rating, he added, must be desired by rather than sold to an employer because if the plan is to produce the maximum benefit there must be a sincere desire and an actual carrying through on part of the employer to



J. W. RANDALL

prevent accidents. While the plan is not available to lower premium brackets, and such risks are not penalized, yet the plan will be of benefit to them in the long run since any improvement in the experience of risks subject to the plan will result in a reduction in manual rates for all risks.

Put on Optional Basis

He explained that the retrospective rating plan is placed on an optional basis. The employer has the right to determine whether he desires his premium computed in accordance with the retrospective rating procedure or in accordance with the prospective method.

Mr. Randall pointed out the mechanics of getting at the final premium. As the premium size increases the opportunity to obtain larger credit likewise increases up to a point where it is possible to obtain a maximum credit of 50 percent from standard premium. The plan provides that the first computation of the retrospective premium will be made six months subsequent to the termination of the policy period. Since there may be long term claims included in the loss experience it is provided that further premium adjustments will be made to date 18 months and 30 months subsequent to termination of the policy period. The plan contemplates applica-

(CONTINUED ON PAGE 36)

Reciprocal Assured in Constant Danger, Attorney Maintains

Keystone Indemnity Subscribers Assessed Regardless of Policy Conditions

WERNERSVILLE, PA.—An indictment of reciprocal insurance in Pennsylvania, based largely on the recent Keystone Indemnity Exchange case, was delivered at the meeting of the Pennsylvania Association of Insurance Agents by Arthur S. Arnold, Philadelphia attorney. After reviewing decisions and opinions, his conclusions were as follows:

"1. All subscribers to reciprocals, whereby they are both assured and insurers, holding policies issued between April, 1929, and June, 1939, in Pennsylvania, face the possibility of 100 percent assessment on each policy in the event of financial difficulties experienced by the reciprocal.

Policy Not Controlling

"2. The liability may exist whether the policy provides for non-assessability, is silent with regard thereto, or contains provisions not in accord with the statute.

"3. The association is suable either by name or by joining such individual subscribers as are ascertainable representing themselves and others in like class in a common law action or by bill in equity brought in similar form.

"4. Policies issued after June, 1939, may be issued without subjecting the new subscriber to liability for assessment if and provided the requirements of the statute are met, but whether the burden is upon the one seeking to escape assessment to prove compliance with the statute, or upon those seeking to impose assessment is as yet not judicially determined.

Liable After Withdrawal

"5. The policyholder may be liable for such assessment after the expiration of the policy or his withdrawal from the association, but only for such losses as have been experienced during the period of his membership.

"6. The omnibus clause of a public liability policy is of doubtful validity.

"7. The mortgage clause is of doubtful value.

"8. The insurance commissioner has had cast upon him an onerous but important burden. It is for him to see that no policies are issued in Pennsylvania contrary to law, and that ingenuity or paper phraseology shall not be substituted for the spirit of the law and the letter of the law."

The court of common pleas of Dauphin county, Mr. Arnold said, levied assessments on subscribers of the Keystone Indemnity Exchange last November and this action was affirmed by the

(CONTINUED ON PAGE 36)

Hospital Service Director Replies to the Critics

Richard O. Parker, director of the Hospital Service, Inc., of Stark County, Canton, O., writes as follows:

"In the August 31 issue of your magazine an article appeared on page 22, headed 'The Public Tends to Exaggerate Value of Hospitalization.' Several statements in that article are either untrue or the wrong interpretation has been placed on them and I would like to see you do something about it.

"Today, most of the non-profit hospital plans are operating under the insurance departments in the various states and certainly we should receive the same treatment in your magazine as do the other insurance companies.

Provide for Dependents

"Naturally the public is sold on our idea of group hospital care as we provide coverage not only for the employee, but for his wife and children as well. What is closer to a man than his family when he can protect them for a small cost each month? So why shouldn't the working man be enthusiastic about these plans? We, the non-profit plans, have dared to tread where the insurance companies were afraid to go until we led the way.

"We do not claim that our coverage is more important than group life or group accident and health but we do feel that employees should have complete coverage, and not only for himself but for his entire family. It doesn't help a worker much if you cover him for life and accident and health if he still has hospital bills to pay for his wife and children. If the insurance companies would be smart they would see that in many cases we are opening the door for them as we help make the employee insurance conscious as our benefits are usually paid immediately after a group is enrolled. Thus they can step in and sell their other group coverages with little sales resistance.

Form of Social Insurance

"The insurance magazines and insurance people are constantly finding fault with our method of underwriting but they forget we are not in business to make money and thus we can be more liberal. This is a form of social insurance and not insurance in the strictest sense of the word. Naturally, an insurance company has to require 75 percent participation and they have to exclude certain things and they have to put a limit on certain benefits as x-rays, drugs and dressings and laboratory fees, etc. They have to make a profit in order to pay their high acquisition costs, taxes and make a profit for their stockholders. Yet, even so, some of the better companies chisel on the 75 percent rule by making it apply only to a department or certain departments but that is their business, not ours.

"Your article gives the impression that most of our claimants are dissatisfied but that is untrue. You can check the records of any non-profit plan and you will find hundreds of letters from satisfied customers and never a complaint. You can check the records and find nary a cancellation because of poor claim service. You can check the rec-

ords and find cancellations only occur when an employee is a long time unemployed and never do they cancel for other reasons. These things should speak for themselves.

Extent of the Trouble

"Your article also states that hospitalization plans are having trouble but you do not state the problem clearly but give the impression that all of us are in bad financial condition and soon will fold up. This is ridiculous as you must know. Only two plans out of about 75 have had any difficulty at all, and these two (New York City and Massachusetts) because they wrote contracts for individuals rather than by groups. These two got burned a little but they are not in serious trouble and they got burned because they felt the employed individual who did not qualify for group membership should have a chance to enroll in their plan. It was an experiment that did not work out but do you see any of the insurance companies trying to help this idea along by experimenting for the good of mankind? Of course, there are a few smaller ones writing a limited contract for individuals and with plenty of dissatisfied customers, but none of the big companies. Why don't you find fault with these fly by night outfits?

"The big companies are content to sit back and criticize us for conscientiously trying to be of more service to our community. Did the insurance companies lead the way in this group hospital idea? No, they were equipped to do so and had the contracts but sat back and let us work it out and now they cautiously enter the field with a very limited contract and follow the plan of finding fault with us and trying to make us look silly to employers. But yet, practically all the big insurance companies, life, fire and casualty, are insured in non-profit plans in their home offices and branch offices. What further testimonial could you ask for?

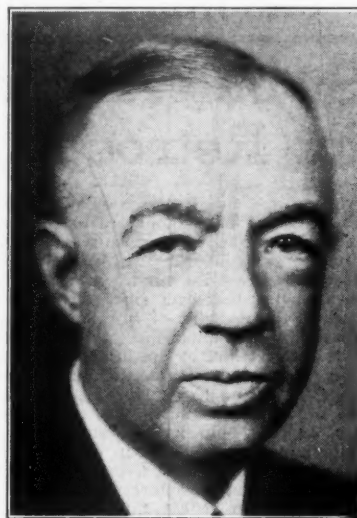
Threat of Government Entry

"I, for one, feel it is high time the insurance companies, the insurance magazines and the insurance people acknowledge the good the non-profit plans have done and are doing and stop criticizing and instead lend a helping hand towards the completion of this big job before the government steps in and takes it away from all of us. At the end of July there were approximately 4,000,000 people covered by these non-profit plans, an increase of 2,000,000 in one year and we have just scratched the surface. The insurance companies might as well realize we are here to stay and that in time we will provide complete hospital and medical coverage for our subscribers. We are here to stay because we have the support of the American Hospital Association, the American Medical Society, the general public, the leading business men of the country, the chamber of commerce and all outstanding civic and welfare organizations in the country.

"In closing, I would like to refer you to an article appearing in Best's Insurance News, Fire and Casualty Edition,

Public Relations Is First Task Before Private Enterprise

ST. PAUL — One of the great institutions of American democracy is the American system of private enterprise, and especially because of the war abroad, the first task facing American



C. W. FAIRCHILD

business and industry is a thorough public relations job. C. W. Fairchild, general manager Association of Casualty & Surety Executives, told the Minnesota Insurance Federation at its annual meeting here. This was the silver anniversary meeting.

The attacks made on the American private enterprise system in recent years would not have been possible if business and industry had adequately interpreted the policies, methods and benefits of that system to the consuming public, he said. Once it is rightly interpreted to the liberty-loving American people, no force on earth will persuade them to discard it. The institutions of free government will be tested severely by war-imposed restrictions abroad. He urged that education of the American people in the benefits of democratic principles in business be not postponed.

Not Overlooking Duty Now

The Association of Casualty & Surety Executives, he said, has been giving increasing attention to public relations, striving to build good will between companies, agents and consumers. Severe restraint and heavy restrictions imposed upon the business system would not have been tolerated by the people if they had realized they enjoy the world's highest standard of living because of the efficiency of the private enterprise system.

It is not that business has failed to carry on public works, to perform services beyond the realm of customary

(CONTINUED ON PAGE 34)

May, 1939, by Arthur M. Holtzman. This man, who is evidently an agent or company official, seems to be thinking very clearly and I recommend it to you."

Liability Manuals Revised by Bureau

New Family Sports P. L. Policies, Protective Minimum Premiums Cut

NEW YORK—A number of changes in the owners, landlords and tenants manual and a few changes in the public liability manual have been made by the National Bureau of Casualty & Surety Underwriters. New rules and rates in both manuals are effective Sept. 18.

Two new coverages have been created, golf liability and sports liability for families. Insurance is the same as under the individual classifications, the new policies covering the named assured, his or her spouse and their children under 21 years permanently residing in the same household. Bodily injury liability minimum premium for the family golf policy is \$5, as compared with \$3.30 for the individual policy and in most states the manual premiums are the same as the minimums. The respective premiums for the family and individual sports liability policies are \$7 and \$5.

New Manual Reprinted

The owners, landlords and tenants liability manual has been entirely reprinted to show a copyright. Occasional changes have been made in rates in some territories. Personal liability insurance in connection with farm residences has been introduced, under the same classification and at the rates as that for private estates. Up to five acres of land, used for commercial farming or dairying purposes, is covered for the basic premium.

The jewelry and optical stores classifications have been changed to exclude liability for malpractice by optometrists.

Under the automobile tourist and trailer camp classification, additional charges have been put into effect for docks, floats and swimming pools. The automobile parking station classification has been revised to exclude coverage for consumption of beverages and food if the lot is operated in connection with a store or restaurant with curb service. The new rule also provides that parking lots and drive-in areas operated by such restaurants may be included under the store or restaurant coverage without additional charge, except for any frontage rate applicable to the main classification.

New Additional Interest Rule

The additional interest rule in both manuals has been changed to permit clergymen to be added without charge on policies covering religious institutions, as well as trustees and members of boards of governors. Minimum premium rules have been clarified by slight revisions. Under the boat classifications, minimum premiums of \$20 for bodily injury liability and \$10 for property damage liability have been put into effect for motor boats and sail boats operated by camps, clubs and hotels.

In the liability manual, a new classification has been established for tobacco auction sales warehouses. The new classification takes minimum premiums of \$25 for bodily injury liability and \$7.50 for property damage, as compared with the minimum premiums of \$2.50 for each coverage under the general tobacco handling classification.

Protective Liability Reduction

The minimum premiums for contractors protective liability have been reduced from \$20 for bodily injury liability and \$15 for property damage liability to \$10 and \$7.50. These minimum premiums are the same as those for owners protective coverage.

Twenty employees of the Detroit branch office of the Zurich attended a picnic and outing at Island Lake. B. B. Burgess, office underwriter, was chairman.

CASUALTY COMPANY SIX MONTH STATEMENTS

(Report as of June 30, to Georgia Insurance Department)

	Capital or Deposit	Assets	Surplus
Accident & Casualty.....	\$ 850,000	\$ 3,476,183	\$ 1,623,962
American Casualty.....	563,730	4,610,590	563,730
American Motorist.....	750,000	9,140,447	1,199,326
American Policyholders.....	350,000	2,716,735	300,000
Associated Indemnity.....	750,000	5,963,188	1,000,000
Bituminous Cas.....	300,000	6,142,760	1,042,397
Eagle Indemnity.....	1,000,000	8,874,132	1,000,000
Excess.....	755,995	3,328,970	730,402
Firemans Fund Indem.....	1,000,000	10,848,834	2,716,869
Hartford Live Stock.....	500,000	1,453,510	545,398

	Capital or Deposit	Assets	Surplus
Maryland Cas.....	2,514,798	39,852,310	3,886,127
National Acc. & Health.....	200,000	590,919	242,362
New Amsterdam Cas.....	1,000,000	26,347,596	4,000,000
Preferred Accident.....	1,000,000	9,392,338	2,471,986
Seaboard Surety.....	1,000,000	4,670,944	1,000,000
Standard Accident.....	1,384,190	23,766,024	2,424,658
Washington National.....	1,250,000	42,734,935	1,324,435

MUTUALS

	Assets	Surplus
American Mutual Liab.....	\$39,014,831	\$ 5,976,053
Lumbermen's Mut., Ill.....	36,601,577	4,618,286
Utica Mutual.....	12,919,272	2,500,000

Real Service Means the Foundation of a Local Agency

President J. R. Plummer, Commercial Standard, Gives Address

J. R. Plummer, president Commercial Standard of Fort Worth, Tex., was one of the speakers before the Colorado Association of Insurance Agents at Denver. There is a vast amount of interest these days in the development of agency service and Mr. Plummer treated that in his discourse. He said there is a real demand for actual service on part of agents. Therefore, the agent should equip himself to supply this demand. He should be well acquainted with policy contracts, informed on rates, should be able to program the assured for his insurance and dovetail the coverages until they form a perfect picture. Some agents, he said, have the faculty of making a whirlwind sales talk for one kind of insurance and yet do not provide an airtight insurance program for a client. Mr. Plummer said, "I believe that service should be something more than attention, more than earnestness, more than salesmanship and more than knowledge of our business. It should be much more than the sum total of these four. It should, above everything else, be human, thoughtful and kindly, not a mere impulse to automatic action. It means feeling, sincerity, initiative, the giving freely of something which cannot be purchased, all of this transcending mere routine activity."

Nature of Service

He devised a rather ingenious note in his talk as he spoke of service being composed of seven letters and then took each letter in the word and riveted it into the real program. For instance, "S" in his estimation, signifies "Smiles," so far as service is concerned. A cheery smile, it can very well be said, does more to break down opposition than any other individual medium.

"E" stands for "Energy," the compelling urge which fires the mind, soul and body with consuming passion to obtain success. Many men are failures because they lack the driving urge created by energy.

Next comes "R," which means to him "Reliability of Statement." This builds confidence. He recited a case in point as an illustration of "reliability of statement." Discussing a workmen's compensation policy and in answer to a direct question from the corporation's president, an agent made the positive statement that in event of accident to any officer, the policy covered. Within one week the president himself was severely injured in line of duty. The agent was greatly embarrassed on discovering that the particular state compensation law excluded corporation officers from the benefits of the act. This naturally resulted in the immediate loss of a valuable client. "Reliability of statements, more than knowledge," he said, "means the interpretation of that knowledge into practical advice to the end that all hazards will be properly insured at reasonable cost."

Voice and Initiative

The fourth letter is "V," meaning "Voice," which is as colorful as a personality. Often without deliberate intent "your voice can anger, irritate, soothe or cajole," he said. Mr. Plummer, therefore, would have an agent pitch his conversational tone on a warm

(CONTINUED ON PAGE 32)

Louis Johnson on White Sulphur Card

Assistant Secretary of War Louis Johnson will address the joint meeting of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents at White Sulphur Springs, W. Va., Oct. 10. Mr. Johnson addressed the same gathering two years ago and was most enthusiastically received.

Other speakers are R. J. Kelly of Detroit, who is a prominent figure in the American Legion, and T. W. Bethea of New Orleans, who will speak on co-operatives.

Routine of the Sessions

Mr. Kelly, who is corporation counsel of Detroit, is prominently mentioned as the next national commander of the American Legion. Mr. Bethea is an attorney who has spent considerable time conducting research into the activities of consumer cooperative movements.

J. M. Haines, London Guarantee, president of the International Association of Casualty & Surety Underwriters, will preside at the opening joint session on Tuesday, and in his capacity will introduce Mr. Johnson. Mr. Haines will deliver his presidential address at this session.

Cliff C. Jones, Kansas City, president National Association of Casualty & Surety Agents, will preside at the joint session Wednesday, at which time he will deliver his presidential address.

Events on Monday

Monday will be given over to registration, and a round-table discussion by the National Association of Casualty & Surety Agents. The convention will get under full headway on Tuesday, and at the opening joint session, Mr. Haines will introduce a number of insurance commissioners and other state officials. At the joint meeting Wednesday, both Mr. Haines and Mr. Jones will announce committee appointments. On Thursday, the final day, both groups will hold individual business meetings.

The agenda for the business meeting of the International Association of Casualty & Surety Underwriters includes Mr. Haines presiding; roll call and record of representatives (report of committee on registration), D. St. C. Moorhead, Employers Reinsurance, chairman; report of secretary, C. W. Fairchild; report of auditing committee, F. J. Parry, American Surety, chairman; report of committee on resolutions; report of committee on nominations; election of officers and standing committees; unfinished business; new business.

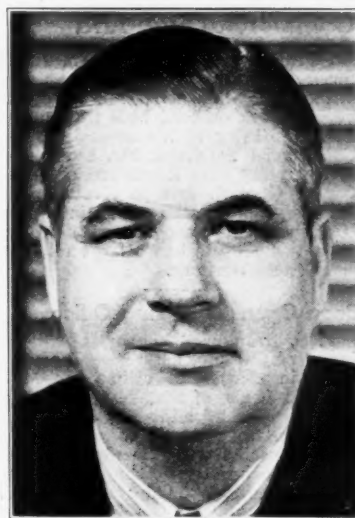
Schedule For Agents Meeting

The agenda for the National Association of Casualty & Surety Agents is: Call to order by Mr. Jones; roll call and record of members present; reading of minutes for 1938 convention; report of Secretary Charles H. Burras, Chicago; report of auditing committee, J. K. Walker, Chicago; report of executive committee, C. A. Abrahamson, Omaha, chairman; general discussion thereof; new business; report of committee on resolutions; committee on nominations; election of officers, unfinished business.

On Tuesday, the women's golf tournament, men's golf tournament, and men's horseshoe pitching contest get under way. There will also be a women's putting contest and in the evening motion pictures, cards and informal dancing. Wednesday the golfers and horseshoe pitchers will still be blasting away, with a women's contract bridge tournament added for the afternoon, and the joint convention banquet being held in the evening.

Many handsome trophies will be presented to the winners of the various competitive events. Mr. Haines and Mr. Jones have each presented a trophy

Pays Notable Tribute to His Former Chief



W. A. WILLIAMS, Minneapolis

W. A. Williams, vice-president Fred L. Gray Company, Minneapolis, and son of the late Theodore Williams of Mankato, first president of the Minnesota Insurance Federation, paid deserved tribute to Mr. Gray, who was the moving spirit in establishing the organization, at the annual meeting this week. Mr. Williams, then 21 years of age, attended the organization meeting with his father.

Confer Again on Whether to Appeal Va. Decision

RICHMOND—Andrew D. Christian, Richmond attorney, who represented the group of casualty companies which challenged the constitutionality of the Virginia countersignature law, intends to hold another conference in New York this week with the law committee of the Association of Casualty & Surety Executives on the question of whether to appeal the recent decision of the federal court at Richmond upholding constitutionality of the law. He conferred with the committee last week but no decision as to whether an appeal will be noted was reached at that time.

H. V. Godbold, Richmond local agent who recently wrote to Commissioner Bowles of Virginia asking for a ruling as to how agents shall proceed with policies placed with them through non-resident brokers as a result of the court's decision, has received a reply from the commissioner stating that he desires first to confer with Thomas T. Moore, chief examiner of the department. Mr. Moore was then absent from the department on vacation.

Mr. Godbold has left for eastern North Carolina on a fishing trip and hopes a ruling will be at hand when he returns from the trip.

for the horseshoe contest. The men golfers will have their mashies sharpened particularly for the Charles R. Miller challenge cup. The player who turns in the lowest gross card for 36 holes of the first two days' play will have his name engraved upon the cup and in addition receive a trophy for himself. Other trophies will be announced later.

H. L. Seip, vice-president and director of the Northwestern National, Milwaukee, has been elected a director of the Northwestern National Casualty, to fill the unexpired term of Joseph Huebl, resigned.

Minn. Federation Holds Silver Jubilee Meeting

Notable Program of Speakers Presented— Nearly 700 in Attendance

ST. PAUL—Nearly 700 insurance men and women participated in the silver anniversary meeting of the Insurance Federation of Minnesota. Half a dozen of the men who attended the organization meeting 25 years ago were present. Special tribute was paid to the late Fred L. Gray, Minneapolis, one of the moving spirits in the organization of the federation.

It was a busy day for insurance leaders of the state. In the morning the executive committee of the Minnesota Association of Insurance Agents met to complete its organization under the revised constitution. Following this the Minnesota Association of Mutual Insurance Companies held its 24th annual meeting.

Many Notables Among Speakers

At noon a luncheon attended by more than 300 ushered in the federation's silver jubilee program. This was followed by a program of addresses by speakers of national prominence in all fields of insurance. They included W. W. Greene, New York, vice-president General Reinsurance, who spoke on casualty rate making; Harry T. Wright, Equitable Society, Chicago, on "Going Places in the Life Insurance Business"; Frank Yetka, Minnesota commissioner; Garfield Brown, Chicago, former Minnesota commissioner, representing the American Mutual Alliance; C. W. Fairchild, manager Association of Casualty & Surety Executives, and Thomas Watters, attorney for the National Board.

At the dinner, attended by nearly 700, W. J. Cameron of the Ford Motor Company and Governor Stassen of Minnesota were the speakers.

In a welcome address at the luncheon, Commissioner Yetka lauded the spirit of unity and cooperation that the federation develops among various insurance groups. He said the agent must make public service his keystone. Among other things Mr. Yetka urged all insurance groups to strive together to reduce insurance costs.

Wright Speaks for Life Men

In speaking for life insurance, Mr. Wright predicted that in the future there would be fewer but better life agents and that they would write a greater volume of business than is now being produced.

"The real measure of a good insurance salesman is the extent to which he is sold on the business himself," said Mr. Wright. "Determination measures the difference between a large and mediocre producer."

He advised life insurance men to make up their minds early whether they want a home office job, to be a general agent or a personal producer and then stick to their choice.

Mr. Brown brought greetings from the mutual companies. Social security taxes and their application to the insurance business were discussed by Mr. Watters. He paid particular attention to old age insurance and unemployment compensation.

Among the men present who attended the organization meeting of the federation 25 years ago were Alexander

(CONTINUED ON PAGE 32)

CHANGES IN CASUALTY FIELD

Has Charge of O'Brien & Co. Claims Work, Chicago

Frederick E. Bartlett has resigned from the Hartford Accident's Chicago office and been appointed claims manager for M. J. O'Brien & Co. in that city. He has been supervisor of investigation and adjustments of Hartford Accident there, directing this work throughout the middle west. Mr. Bartlett is a graduate of Chicago Kent College of Law, 1925, member Illinois bar and later member of Marshall Field & Co. and subsidiaries legal department. He went with the Hartford Accident in 1935, taking charge of a branch claim office at Appleton, Wis., later going to the western department at Chicago. O'Brien & Co. is a well known legal and adjustment firm, Mr. O'Brien having been in the business since 1920.



F. E. Bartlett

Graham with Boit, Dalton & Church

BOSTON — Collins Graham, outstanding producer of fidelity and surety bonds in Boston for 32 years, with O'Brien, Russell & Co., has been appointed manager of the bonding department of Boit, Dalton & Church, to succeed the late R. H. Hovey. He will merge his personal business with the fidelity and surety business of Boit, Dalton & Church.

Mr. Graham entered the liability department of O'Brien, Russell & Co. in 1907. In 1910 he entered the bonding department and in 1913 was made manager. For 16 years he was a principal factor in the development of the firm's bonding business. In 1929 he became an independent producer but affiliated with the office. He served two years as president and three years as secretary of the Surety Underwriters Association of Massachusetts and was one of the organizers of the Insurance Brokers Association of Massachusetts.

McGee in Field for Globe

J. Paul McGee has been named special agent by the Globe Indemnity for Illinois and Wisconsin. Mr. McGee has been in training for six months in the Chicago office. He is the son of John P. McGee, St. Paul local agent and past president Minnesota Association of Insurance Agents. While attending school he worked for the St. Paul Fire & Marine during summer vacation. He also attended the U. S. F. & G. training school.

Mulhern Succeeds Boutillier

J. F. Mulhern has been appointed assistant resident manager of the New England department by the Employers group. He joined the Employers in 1917 in its compensation and liability department. He was made underwriter in 1929 and in 1936 became assistant superintendent of the compensation and liability department. In the latter capacity he traveled extensively.

He succeeds A. D. Boutillier who was recently made resident manager of the Rhode Island department.

Change in Louisville Branch

G. Dewey Detwiler has resigned as Louisville manager of Bituminous Casualty. V. C. McDonald, vice-president, now supervisor of the corporation's coal mine business in the southern territory, will for the present in addition to his regular duties assume general supervision over the activities in Kentucky, Virginia and Tennessee, handled from the Louisville office.

Milton Shaw Goes With Commercial Standard

FORT WORTH, TEX.—Milton B. Shaw has joined Commercial Standard at the home office here. For the present he will work on long haul truck underwriting. Prior to his association with Commercial Standard, Mr. Shaw spent several years with Royal Exchange and Car & General, first in Kentucky and Tennessee and more recently in Indiana. He is a capable man on both fire and casualty lines and had a large following in his field territory.

Bean Opens Adjusting Office

F. S. Bean, well known casualty adjuster of Chicago, has resigned after 11 years in charge of claims for M. J. O'Brien & Co. of that city, and opened his own casualty adjusting office in the Insurance Exchange. In the past he was connected with Hartford Accident and Massachusetts Bonding, and he has had 21 years' adjusting experience in Chicago.

Miller to Globe in Detroit

E. W. Miller, Jr., who has been special agent of the Indemnity of North America in Wayne county and eastern Michigan for several years, has been appointed assistant manager of the Detroit branch of the Globe Indemnity under Manager F. K. Kleene.

The Employers Liability has appointed Newhouse & Sayre, New York City, as borough agents.

COMPENSATION

Boost B. C. Silicosis Rate

VICTORIA, B. C.—The British Columbia workmen's compensation board has increased the silicosis rate on mine workers from 2½ to 5 percent. Retroactive legislation covering men who contracted the disease some years ago was explained as being responsible for the increase.

Pa. Coal Companies Accept Act

HARRISBURG, PA.—Pennsylvania coal companies, which had "rejected" the workmen's compensation act as amended in 1937, will return to compensation insurance under the amended act of 1939.

Two big companies, with about 38,000 employees, already have announced their intention of accepting the 1939 act. During the two years these companies carried no compensation insurance they settled all claims under common law.

Criticise Ohio State Fund

COLUMBUS—A charge that 3,000 Ohio employers are sidestepping their premium payments, thus depriving the state of \$1,000,000 a year, is contained in the first report of the Citizens Tax League of Ohio on its investigation of the workmen's compensation fund.

The charge also is made that \$2,000,000 in uncollected premiums and \$500,000 in refunds to employers "lie buried in the stack of 300,000 unaudited payroll reports now on hand."

Variance in Rate for Servants

SAN FRANCISCO—While the National Bureau of Casualty & Surety Underwriters has announced elimination of the expense constant in the writing of workmen's compensation on domestic servants and set a \$10 minimum premium, there is a wide range of minimums prevailing in California at present, just prior to the effective date of the new amendment to the compensation law, which requires all domestic

servants working 52 hours a week be covered. These minimums run from \$7.50 up to \$18. A number of companies, both bureau and non-bureau, are not seeking the business, claiming that it presents a difficult problem, with certainty of high loss ratios.

Florida Change on Truckers

TALLAHASSEE, FLA.—The Florida department has set up new schedules for compensation cover for the trucking industry, effective as of July 1,

1939. Rates for trucks operating under the direction of the state railroad commission are increased from \$3.59 to \$4; for those certified by the commission but not under direct control, decreased from \$5.54 to \$5.10. The order puts both groups under the same classification, which was not true before. Deputy Commissioner Ralph Davis, in charge of compensation, says the changes are approved by the Florida State Truckers Association and the Florida Insurance Agents Association.

ACCIDENT AND HEALTH

Detroit Association May Have Managers' Section

DETROIT—Formation of a managers' section of the Detroit Accident & Health Association, to be confined to managers and general agents and to hold separate meetings for the discussion of management problems, was discussed at the first fall meeting of the directors with President K. H. O'Connor, Macabees, presiding.

Membership in the association was originally confined entirely to managers and general agents, and several years ago was opened to agents as well. Some of the officers and directors felt that management problems sometimes might be brought up in separate managers' sessions that would not be advanced at the regular meetings, and thus the work of the association could be broadened to meet the needs of all classes of affiliated insurance men. Open meetings are held monthly at noon and it was suggested that the managers' section could convene occasionally in the evening.

The program this year will consist of educational meetings with addresses by outstanding insurance and sales executives, with entertainment features held to a minimum. It will be laid out six months or more in advance. E. W. Albachten, general agent Pacific Mutual, is program chairman.

The directors voted to propose an amendment to the constitution setting up two classes of membership. First class membership would include membership in the National association and second class would not, but would cover local activities only. All managers and general agents would be accepted only on the first class basis.

The first meeting of the season is being held at noon Sept. 21, when the Accident & Health Insurance Week committee is meeting in Detroit. All members of the committee will be guests of the Detroit association, and some member of the committee will be the chief speaker.

Local Association to Be Formed in Grand Rapids

GRAND RAPIDS, MICH.—Late in September a meeting of accident and health men will be held here to form an accident and health association, on invitation of Frank Walton, district manager Mutual Benefit Health & Accident. Roy Long, Great Northern Life, Detroit, special representative National Accident & Health Association in this territory; E. B. Brink, state agent Mutual Benefit, and Glenn Reitzel, Michigan Life, members of the Detroit committee for organizing more associations in Michigan, and K. H. O'Connor, Macabees, president Detroit Accident & Health Association, plan to attend.

This is the first move in the campaign to form a group of local associations throughout the state, looking toward eventual formation of a state accident and health association. Mr. Long has been in touch with accident and health leaders in Lansing, Kalamazoo, Jackson, Flint and other Michigan cities and hopes to be instrumental in getting associations under way shortly in all those cities.

Report on Audit of Railroad Employees Unit

The assets of Benefit Association of Railroad Employees of Chicago as of Dec. 31, 1938, amounted to \$2,452,009 and unassigned funds were \$1,309,254, according to a report of an examination that was conducted by Illinois, Ohio, Wyoming and Montana. The principal operating officers are Vice-president P. E. Keller, and Treasurer A. Bloomfield. The sole agency is that of A. J. Lindsey, organization director. The agency gets 20 percent commission and bears the cost of securing business, securing payroll deduction privileges or franchise agreements, appointing and supervising soliciting agents and paying new and renewal commissions to solicitors. The agency also pays the compensation of the principal officers.

The railroad companies receive 5 percent of the premiums collected through payroll deductions and this expense is paid by the association. For other than railroad workers, the business is handled through group or welfare clubs with master contracts being issued and individual certificates to the individual assured. In the railroad business, individual policies are issued.

Although a mutual company, no dividends are returned. The management seeks to keep the rate at the lowest possible level. There is a per capita charge of 20 cents per month on the railroad policyholders that goes for lodge dues, subscription for "Railway Journal" and general overhead of the order. Welfare club dues range from 5 to 25 cents per month.

The policy contracts of the railroad classification provide for a specific principal sum and monthly benefit indemnities resulting either from accident or illness. The monthly accidental benefits are payable for a limited period not exceeding 24 months and those resulting from illness, for a period not exceeding 12 months.

During 1938 losses and loss adjustment expense incurred amounted to \$1,950,404, expenses incurred \$1,256,216, premiums earned \$3,338,152.

Seasonal Traffic Accident Increase Aid to Agent

The seasonal increase in traffic accidents, which inevitably occurs during the fall and winter months, can be used to good advantage by wide awake agents to sell accident cover. Statistics and circumstances are on the side of the seller.

For example, the agent can point out that during the next 3½ months the hazard or chance of getting involved in an accident is much greater than at any other time of the year. The weather is worse, driving conditions worse, more cars are on the road and visibility is poor because it gets darker earlier. People wear darker clothes, and carelessness both in driving and walking continues still unabated.

Statistics show, using the years 1936 to 1938 inclusive—that during October, November and December the average monthly death toll for motor vehicle accidents alone is 3,700 as compared to an average monthly of 2,840 during the other months of the year.

Agents can also point out that the



Oldest and Largest Insurers of Automobiles Exclusively

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ORGANIZED 1911

ST. LOUIS, MISSOURI

NATIONWIDE BRANCH OFFICE FACILITIES

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CINCINNATI • CLEVELAND • DETROIT
INDIANAPOLIS • KANSAS CITY • LOS ANGELES • MILWAUKEE • MINNEAPOLIS
NEW ORLEANS • NEW YORK • PHILADELPHIA • PITTSBURGH • SAN FRANCISCO • SEATTLE

pedestrian death rate varies between 34 and 47 percent of all people killed in traffic accidents, the percentage growing successively higher as the fall goes into winter, December being an exceptionally high month.

Hospital Service Cuts Benefits

BOSTON — The Associated Hospital Service, known locally as the Blue Cross, announces a curtailment of benefits upon the expiration and renewal of existing contracts, with the elimination of several types of benefits that have been prolific claim producers.

X-ray and anesthesia benefits have been eliminated; maternity benefits are limited to one half the hospital bill; and tonsil and adenoid cases are not included for operation the first year of membership.

W. C. Jeffrey with Royal

W. C. Jeffrey, formerly production manager of Ocean Accident for the New York metropolitan department, has joined Royal Indemnity as production manager for accident and health in the metropolitan area.

Has Two Production Divisions

Vice-president W. G. Tallman has been placed in charge of production of both life and accident and health insurance for the Washington National and the territory of the company has been divided into two production divisions, Atlantic and Pacific. The Pacific division is under the supervision of Vice-president H. Brookes Kendall and the Atlantic division under Agency Supervisor H. E. Hayward. The dividing line will be the Mississippi river, except that Minnesota and Louisiana are placed in the Pacific division.

Brink Agency's Cruise

DETROIT — More than 180 agents and visiting managers of the Mutual Benefit Health & Accident and United Benefit Life attended the Great Lakes

cruise of the E. B. Brink state agency. Mr. Brink opened the first business session, talking on "A Travelog of the Trip," followed by Floyd Holdren, Cleveland, on "A Can of Beans" and Sidney Stolsky, Detroit, on "But." As winner of the personal producers' drive for Michigan, he was presented a cup by H. C. Carden, superintendent of agencies.

C. L. Gurney, Cincinnati, spoke on "Five Percent vs. Twenty"; B. F. Helmbrecht, Buffalo, "Two Against the World"; M. E. Huggins, claims superintendent, "Contact, Conflict and Stabilization"; R. F. Sheehan, Newark, "The Tools with Which We Work"; Frank Walton, Grand Rapids, "One Man in a Thousand"; C. V. Sparks, Detroit, "A Ten-Point Profile of a Master Salesman"; H. C. Carden, "What Makes Quality Business?" and Vice-president S. C. Carroll on "Beans vs. Dollars."

Wienecke Milwaukee Speaker

R. H. Wienecke, Union Central Life, Chicago, will address the Milwaukee Accident & Health Association at its first fall meeting Sept. 28 on "It's Yours If You Pay the Price."

C. L. Gurney, Cincinnati manager of Mutual Benefit Health & Accident, is moving to larger quarters on the top floor of the Fountain Square building in which he has been located for the past couple of years. The formal opening is set for Oct. 2. Mr. Gurney reports an increase of 200 percent in premium volume for the past month over the same period last year.

Manager W. H. Ferrell of the Washington National in Los Angeles has appointed M. E. Pierson field superintendent for the southern California office. He has made a good record as a producer.

Application for entry to New York has been made by Hardware Indemnity of Minnesota.

FIDELITY AND SURETY

Michigan Checking Closed Estates

DETROIT—The recent activity of the Michigan attorney-general's office in checking on closed estates to see if inheritance taxes have been paid and holding the surety companies responsible in those instances in which they have not, was discussed at the first fall meeting of the Surety Association of Michigan.

It was brought out that in recent months the state has been checking estate records in an effort to unearth cases in which the inheritance tax was not paid, and that a number of such cases have been discovered. In such instances the office has been notifying the surety companies who bonded the executors or administrators and has demanded the amount of the tax plus interest to date from the sureties.

Most of the cases so far reported to the companies have concerned relatively small estates in which the administrators or executors were persons unacquainted with the inheritance tax law, and doubtless most of them overlooked paying the tax unintentionally. Some of them reported to companies represented at the session dated back to the early 1920's and consequently carry a heavy interest penalty in addition to the amount of the tax. Speakers at the meeting warned the members to check carefully on the tax angle before discharging their bonds.

Plans were made for a golf outing to be held late in September.

Big Bonds on Water Project

LOS ANGELES—Bids opened by the U. S. Reclamation Service for the construction of the Friant Dam, a part of the Central Valley Water Project, the

dam to be built on the San Joaquin River, 20 miles north of Fresno, Cal., found joint bid of the Griffith Company and Bent Bros., both Los Angeles, lowest, \$8,715,358.

The Reclamation Service required a bond of \$2,500,000 for payment and \$2,000,000 for performance on the job. The Los Angeles offices of the National Surety and the Fidelity & Deposit originated the business, and will execute the bond with ten other co-sureties as soon as the contract is signed.

Stimulate San Francisco Brokers to Produce Fidelity

The Surety Underwriters Association of Northern California is launching Oct. 2, an educational enterprise in behalf of fidelity and surety. A program of four lectures will be given, Oct. 2, 9, 16 and 23, in the assembly hall of the Merchants Exchange, San Francisco. At the first lecture the subject will be the difference between insurance and fidelity bonds; the second will be fidelity sales arguments; third, fidelity sales demonstration including an explanation of the different forms of coverage, and lastly, the production and sale of surety bonds. The intent will be to supply practical knowledge to assist the broker in handling the business and in its sale. About 300 registrations for the course have been received from the nearly 700 brokers to whom the invitation was extended. The association expects that the registrations may reach 500. H. G. Sheehy, Massachusetts Bonding, is president of the association.

Cleveland Club Opens Season

CLEVELAND—The Cleveland Surety Underwriters Association held its first fall meeting with 30 in attendance. Principal discussion was on the change

Casualty, Fidelity and Surety Reinsurance

GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Financial Statement, June 30, 1939

ASSETS

CASH IN BANKS AND OFFICES	\$ 1,498,575.16
INVESTMENTS:	
U. S. GOVERNMENT BONDS	\$4,093,623.56
OTHER BONDS	4,288,906.28
NORTH STAR REINSURANCE CORP. STOCK	1,930,241.92
OTHER COMMON STOCKS	3,820,303.58
MORTGAGE LOANS	271,633.33
TOTAL	14,404,708.67
PREMIUMS IN COURSE OF COLLECTION (NOT OVER 90 DAYS DUE)	747,437.17
ACCRUED INTEREST	68,503.39
OTHER ADMITTED ASSETS	151,838.68
TOTAL ADMITTED ASSETS	\$16,871,063.07
LIABILITIES	
RESERVE FOR CLAIMS AND CLAIM EXPENSES	\$ 6,607,913.81
RESERVE FOR UNEARNED PREMIUMS	2,468,858.82
RESERVE FOR COMMISSIONS, TAXES AND OTHER LIABILITIES	804,631.25
CAPITAL	\$1,000,000.00
SURPLUS	5,989,659.19
SURPLUS TO POLICYHOLDERS	6,989,659.19
TOTAL	\$16,871,063.07

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department, viz.:—Bonds on an amortized basis, North Star stock on the basis prescribed by the New York Insurance Law, other stocks at June 30, 1939 market quotations. If bonds owned were valued on the basis of June 30, 1939 market quotations, Total Admitted Assets would be increased to \$17,048,668.24 and Surplus to \$6,167,264.36. Securities carried at \$1,059,044.54 in the above statement are deposited as required by law.



*Where's
my
Daddy?*



Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee

Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company

HOME OFFICE
10 Park Place
Newark, New Jersey



Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Canadian Dept.
461 Bay St.
Toronto, Ontario

Pacific Department
220 Bush St.
San Francisco, Calif.

FIRE • MARINE • CASUALTY • SURETY

Loyalty Group
INSURANCE

in surety bond requirements for Ohio liquor permits. F. W. Selsor, claim attorney Fidelity & Casualty, will speak Oct. 9.

Strict Bond Requirements Called Aid to Contractors

BASIN HARBOR, VT.—In his address at the convention of the Vermont Association of Insurance Agents, H. P. Dunham, New York, vice-president American Surety, made the point that rigid adherence to contract bond underwriting standards is a service to the contracting business. Surety companies have been criticized by experienced, responsible contractors for issuing these bonds too freely. Refusing to write bonds for irresponsible bidders will improve the position of substantial contractors, will reduce the present loss ratio and will improve relations between the surety business and the contracting business.

Agents and companies have nothing to lose by sound underwriting because the volume of contract bond business will be the same whether it is written for responsible or irresponsible contractors.

Contract bond underwriting conditions are difficult at present, Mr. Dunham

said, because the size of some of the present public contracts, has resulted in various combinations of contractors seeking to perform them and uncertain labor conditions have complicated the situation. No reputable contractor will hesitate about giving the agent and the company as complete financial and other pertinent information about himself as he would give a bank from which he is seeking credit.

The fidelity bond situation still shows gross under-insurance. Over \$200,000,000 is lost each year by American business through the dishonesty of employees. Mr. Dunham said that out of 460 claims picked at random, the losses amounted to \$6,429,228 and the defaulters were bonded for an aggregate amount of \$1,479,427. Business men do not cease to purchase fire insurance because of fireproof buildings and, similarly, improved accounting procedures, and other preventive measures may make it more difficult for employees to embezzle but cannot eliminate the need for fidelity insurance. Protracted war in Europe may make for some increase in fidelity and surety losses, but there will also be an increase in premium volume as American business speeds up and fidelity and surety companies are well equipped to render increased service.

Analyzes Meaning of Agency Service

(CONTINUED FROM PAGE 27)

and friendly note, without affectation or ostentation. Above all, he said, do not permit the "ice," part of the word "service" to creep into your voice.

The next letter is "I," which he interprets "Initiative." Initiative, he said, is the foundation of knowledge. It creates an insatiable desire to learn not merely by experience but by study. If experience is founded on ignorance it becomes a liability. Ability in selling and succeeding, Mr. Plummer declared, grows in those years when the mind is open for new ideas, flourishes in maturity and declines at the state of "know it all."

Courtesy and Enthusiasm

Coming to the next letter, "C," he made out to mean "courtesy." It is the element of human kindness, in his opinion, which costs so little and returns so large dividends. It is that feeling, which without thinking, occasions a clerk at the close of a sale to say, "Thank you, please call again."

Coming to the last letter in "Serv-

ice," he attached that to "Enthusiasm." It gives flash and zest to action, being the foundation of incentive. "Forcing on one hand by energy, persuading on the other by magnetism," said Mr. Plummer.

In addition to service to the client, Mr. Plummer urged agents to keep the general public insurance conscious. Agents should become active, participating in safety work, fire prevention and any other effort that has to do with conserving life, limb and property.

He said that service is the medium for measuring efficiency. One's success and the success of his agency is directly dependent on the quality of service which he renders.

Holds Silver Jubilee Meeting

(CONTINUED FROM PAGE 27)

Campbell, resident vice-president Marsh & McLennan, Minneapolis; Wirt Wilson and Byron Timberlake, also of Minneapolis; C. E. Learned, Jr., and W. T. Lemon, St. Paul, and Lane MacGregor, Duluth. All are still members of the federation.

Speaking for those who attended the original meeting was Wheaton A. Williams, vice-president of Fred L. Gray Co., Minneapolis. As a youth of 21 he attended the first meeting with his father, the late Theodore Williams of Mankato, who was first president of the federation.

Mr. Williams told how and why the federation came into being in 1914. Agitation for state fund insurance and other socialistic proposals prompted the organization, he said.

"The purpose of the federation was to prevent our business from becoming socialized," said Mr. Williams. "By doing this the federation has helped other lines of business, for when the government takes over the operation of one business it places its toe in the door and thereafter it is easier to socialize other private enterprises."

O. J. Arnold, president Northwestern National Life, presided at the dinner.

Teeson Re-elected President


At the federation's business session, George R. Teeson, Alexandria, was re-elected president and Clyde B. Helm, Minneapolis, re-elected secretary-treasurer. The following were elected vice presidents: R. J. Grant, president Hardware Mutual, Minneapolis; E. C. Huhnke, local agent, Duluth; O. W. Kolshorn, secretary Goodhue County Farm Mutuals, Red Wing; L. L. Law, state agent London Assurance, Minneapolis; E. A. Roberts, vice president Minnesota Mutual Life, St. Paul.

For directors, these were named: J. M. Hannaford, Jr., C. A. Dosdall, Arthur Devine, R. V. Mothersill, all of St. Paul; Alexander Campbell, L. C. McGee, J. E. Reimann, H. P. Skoglund, all of Minneapolis; A. G. Meile, New Ulm; A. A. Anderson, Luverne, H. W. Clark, Winona; O. L. Danek, Glencoe; G. W. Fevig, Moorhead; Thomas Gill, Virginia; Calvin How, Duluth; R. J. Lund, Thief River Falls; W. N. Niskern, St. Cloud; R. H. Ostrander, Albert Lea; A. C. Page, Austin; H. J. Sauer, Paynesville, and E. W. Willard, Mankato.

R. B. Nienhauser, St. Paul, was named chairman of the finance committee and George W. Wells, Jr., Minneapolis, chairman of the legislative committee.

Secretary Helm, who has just rounded out ten years with the federation, reported progress during the year. The federation went on record as favoring "continued cooperation with all other insurance organizations in any proper movement tending to improve the business and stimulate wholesome and correct practices."

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the risk is the only proper goal for private casualty insurance as a whole and all efforts in that direction should not be relaxed, as the only logical alternative to the present competitive system is state monopoly or some other type of totalitarian regime, W. W. Greene, vice-president General Reinsurance, said.

"Regardless of the specific class of business and size of the risk our objective cannot be reached without a realistic approach to the determination of all proper elements of the premium—loss funds, loss expense acquisition costs, overhead and underwriting profits," he said.

"The problem may appear to be in the lap of the tariff carriers but let none of us be deceived. It is only primarily their problem, for the entire edifice of private insurance must be built or destroyed as a single structure and any such disparity in the respective rates of growth of the several types of carrier is only not sound for the tariff stock companies but it is not safe for the non-tariff and participating carriers.

Should Rejoice Now

"Although turmoil has been temporarily engendered by changes in rating plans all who are sincerely devoted to the competitive system in insurance should rejoice that at last the 'old line' casualty companies have initiated an energetic attack upon their rate problems.

"The natural result of the necessary adjustments in rating plans will be to bring all classes of carriers much closer together in the matter of net price than they have been in the past, a situation eminently to be desired. Only with a more united front and with all types of carriers occupying positions which in the main are equally attractive and definitely defensible can the ancient threat of state monopoly and the newer one of burdensome bureaucratic control be permanently repulsed."

Mr. Greene's talk dealt chiefly with workmen's compensation because, he brought out, it is in this field that casualty rate making technique has had its most intensive and significant development.

Workmen's Compensation Development

He traced the development from A. W. Whitney who in 1918 developed the mathematical theory of experience rating, whose conclusion was that the risk rate for the year to come should be based on a weighted average of the risk's past experience and the classification experience and that the weight assigned to the risk experience should depend on the size of the risk. This mathematical investigation has had a far-reaching effect. Experience rating has now virtually supplanted physical rating in the compensation field and has been extended to the liability field and in essence to group life insurance.

Recently came the adoption of retrospective rating which adjusts the premium for each year retroactively in accordance with the actual experience of that year. This means that the assured who feels that his rate is too high even after applying the existing experience rating plan may if he chooses take the chance of either receiving a refund or paying a certain charge according to his actual losses.

"In the days to come," predicted Mr. Greene, "retrospective rating will occupy a larger and larger place throughout the entire compensation and liability field so far as good-sized risks are concerned."

Claim Executive Makes Big Hit at Convention

L. K. Babcock, secretary liability claim department Aetna Life affiliated companies, who made a big hit in his talk before the life agents convention at Colorado Springs recently, is an orator of note. He is a native of To-

peka, Ind. He graduated at Indiana University in the law department in 1910. He was in educational work for seven years, becoming principal and superintendent of a high school.

While a resident of Indiana, Mr. Babcock took an active interest in public affairs. From 1907 to 1909 he was a member of the Indiana legislature. In 1909 he was secretary to Governor J. Frank Hanly, and in 1910 he was secretary to the mayor of Indianapolis.

He first became associated with the Aetna Life in 1911 as attorney in charge of the claim department in Indianapolis. In 1922 he was transferred to Hartford, where he assumed the du-

ties of secretary in charge of all liability claims of the Aetna Life affiliated companies.

Mr. Babcock has served as a member of a number of important insurance organizations, including the theft committee, Automobile Underwriters Detective Bureau, of which he has served as chairman since 1928, the governing committee, National Bureau claim department, and the claims executives committee, National Council on Workmen's Compensation Insurance.

Qualification and Regulation

The American Bar Association committee on qualification and regulation of

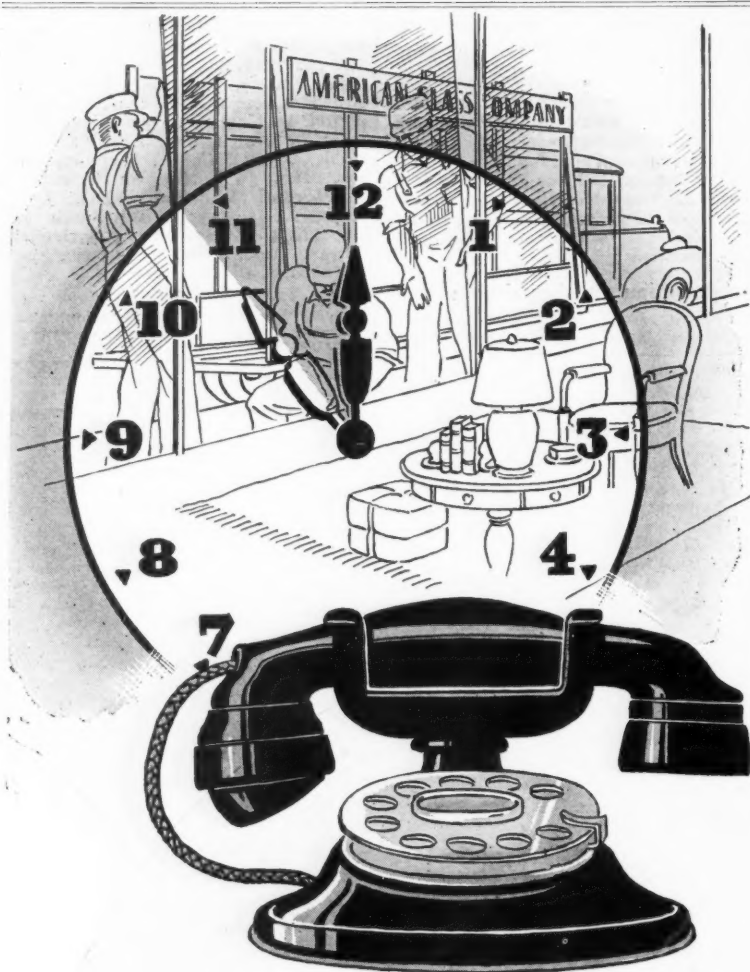
insurance companies is: E. W. Patterson, chairman, New York; E. B. Stason, vice chairman, Ann Arbor, Mich.; Washington Bowie, Jr., Baltimore; Garfield Brown, Chicago; T. F. Cunneen, Washington, D. C.; H. S. Don Carlos, Hartford; L. M. Gardner, Albany; G. W. Goble, Urbana, Ill.; L. B. Jones, Jackson, Miss.; F. J. Marryott, Newark; J. R. Morford, Wilmington, Del.; J. W. Ryan, New York; Willis Smith, Raleigh, N. C.; F. W. Young, Springfield, Ill., and H. C. Spencer, ex-officio, Rochester, N. Y.

O. L. Rea and H. G. Newcomb have opened the Newcomb-Rea Agency at Overton, Tex.



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New Filings Are Made in Indiana

INDIANAPOLIS — Automobile insurance rate filings are being received daily at the Indiana department following the recent ruling by the commissioner that rates on passenger cars may be cut to 30 percent below manual. As already announced the companies in the National Bureau of Casualty & Surety Underwriters have restored class A-1 of Rule 13A establishing a reduction of 25 percent thereon, with class W premiums for all automobiles.

Metropolitan and Commercial Casualty have availed themselves of the 30 percent limit reduction and are using class W premiums on all autos.

Standard Surety & Casualty files a reduction of 30 percent on class A and 15 percent on class B, class C continuing at manual. Class W premiums are adopted for all automobiles.

American Automobile gives class A a 30 percent reduction and class B, 15 percent.

Connecticut Indemnity sets a 30 percent reduction for non-business use, farmers and clergymen, and 25 percent reduction for business use cars.

Continental Casualty and National Casualty have adopted rule 13-A of the automobile casualty manual.

Indemnity of North America uses class W premiums, less 25 percent, on all automobiles owned by individuals.

St. Paul-Mercury Indemnity gives a 30 percent reduction for non-business use cars and 15 percent for business use cars, using class W premiums for all cars.

Hoosierland Rating Bureau companies make a 30 percent reduction for the standard policy and 20 percent on the broad form policy, with class W premiums for all automobiles.

Ohio Farmers Indemnity adopted class W premiums for all automobiles, less 30 percent.

General Accident has adopted a class A-1 similar to manual class A-1, on which a reduction of 25 percent is allowed. Class W premiums are adopted for all cars.

Public Relations First Task Before Private Enterprise

(CONTINUED FROM PAGE 26)

business activity, Mr. Fairchild said, but it has failed to inform the public.

Capital stock insurance companies, for instance, he said, have made a tremendous contribution to the security, safety, health and happiness of the American people through the Association of Life Insurance Presidents, National Board of Fire Underwriters, Association of Casualty & Surety Executives, and other organizations, yet the average citizen knows little about this work. He rarely knows that the house or apartment in which he lives was built to specifications based on rules adopted by the National Board, nor that the companies established and support a laboratory devoted entirely to fire prevention, nor that this work has produced far greater safety for life and property.

Safety Work Is Mentioned

Another item of great service is the organized safety movement in America, which saves man's lives, prevents injuries, and damage or destruction of property. This service originated in the safety methods that casualty companies instituted in industrial plants. Today the 61 leading casualty and surety companies in the Association of Casualty & Surety Executives carry on a vast program of accident prevention in every field of activity, on streets and highways, in the home, in public places, and in industry, Mr. Fairchild said.

He cited also the work of surety companies in protecting private property against defalcations and criminal practices through bonding trustees, guaran-

National Surety Middleman Crusade Wins Approbation

Much interest has been taken in the National Surety advertising and public relations campaign in defense of the middleman, the profit system, and the American way of doing business. Month after month, these advertisements have gone forth to the various trades—drug, grocery, electrical, building, automotive, petroleum, heating and plumbing, and last month, the publishing field.

Each month, National Surety has said to a particular field that the retailer justifies his slight profit many times over in the service he renders to his customers. The insurance agent or broker is a middleman performing an indispensable local service. To use his service is true economy. Each month in the banking journals, National Surety has asserted that bankers are middlemen, doing business the American way. Like the other business men the banker is entitled to his profit, through the service he renders in the safeguarding, investing, and lending of funds.

Endorsed by Agency Units

At least 13 state associations of insurance agents have endorsed the National Surety campaign and congratulated its officers upon its effective portrayal of the middleman's story. The National Association of Insurance Agents has endorsed the campaign enthusiastically. Editors have written directly in endorsement of this defense of the American business system.

National Surety is performing a useful service for American business, for the independent business man, whether retailer or wholesaler, and for the middleman in every field, whether banker, agents, or publisher.

This month's advertisement is directed to the hardware field in which the problem of the retailer has been especially real in recent years.

teering faithful fulfillment of contractual undertakings, and of guardianships, protecting taxpayers' money held in public funds, and so forth. There also is the work of the National Conservation Bureau, the accident prevention division of Mr. Fairchild's organization. This effort is directed toward isolating causes of accidents, removing them permanently, and teaching the people to live safely.

Mentions Other Services

"The association's claim bureau protects against fraudulent insurance damage claims, which if not curbed inevitably would drive insurance rates higher. The casualty department is seeking in the field of occupational diseases to apply the same effective methods which have saved lives and money in the field of occupational accidents.

"If public support is to be recaptured completely and permanently, business must keep firmly in mind that good will is not something which can be bought or bartered," Mr. Fairchild concluded. "It must be won. Our problem is not merely one of publicity, of issuing newspaper releases, having magazine articles, and delivering radio talks, extolling the virtues of each individual business or group of interests. It is not so simple as that. Our public relations program must be based upon the firm foundation of sincerity and honesty. It must be expressed not merely in words, but more so by deeds. It must demonstrate to the public that management understands and accepts the democratic principle that business exists to meet and satisfy the needs of the consumer, that all other interests are subordinate thereto."

Clay F. Lundquist, Fred S. James life-accident department manager, Chicago, is the father of a baby daughter, Karen Ann.

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Pink Finds No Cause to Act on Lloyds

(CONTINUED FROM PAGE 25)

this trust fund does not seem to be in violation of the insurance law and I do not believe that there is any obligation upon the department to take action. I am, of course, only passing upon the main question and not upon the details, some of which may still have to be worked out.

Admits Situation Inequitable

"Although this trust fund is said to have been created because of the war situation in an effort to stabilize Lloyds' business and aid American assured, there is, of course, a real problem arising out of the fact that Lloyds as an unauthorized insurer secures so large a volume of business from this state. This is not a new situation but existed long before the establishment of the fund. As you point out, it does not seem equitable that a foreign insurer should secure so large a volume of business here without subjecting itself to the supervision of the state and without paying the customary taxes to the state.

"There seems to be certain insurance needs which have not as yet been fully supplied by our own companies. It is generally admitted that in marine insurance and certain specialized lines where the American market is insufficient and in the field of excess insurance and reinsurance, the participation of Lloyds is apparently necessary until the American market is able to absorb that business. Your suggestion that it is perhaps the duty of the department to insist that Lloyds be licensed the same as any other insurance company and pay its proportionate share of taxes on the business transacted is worthy of consideration but I doubt if it can be done under existing laws. While I have no request from Lloyds to be admitted in this state it is at least possible that it might apply if any existing legal obstacles to admission were removed. It has recently become admitted in two of our states as well as in some of the provinces of Canada.

"Before I had any intimation that this trust fund was to be created I appointed a committee to study the general problem of Lloyds' relationship to the insurance industry in this state. The department members of this committee were designated some time ago and have already started work. We expect to add representatives of the insurance industry to the committee as the work progresses. We shall be glad to have your help and cooperation. The purpose of the committee is to secure all of the facts possible and make recommendations which in its opinion will be helpful in clarifying the entire situation and in promoting a more equitable arrangement."

Explains Medical Payment Stand

LINCOLN, NEB.—John S. Logan, Nebraska department attorney, stated that his recommendation last week to Insurance Director Smrha for disapproval of medical expense endorsements to automobile liability policies was not intended to be against all such endorsements. His disapproval, he stated, applied only to policies which carry an overlapping of coverage. Where the line is clearly drawn, Mr. Logan said, the opportunity is not present for a company to choose between which of its liabilities it will meet. He believes there is nothing objectionable.

The statement was not clarified further, but presumably Mr. Logan was referring to forms which require a release of liability from the claimant as a condition to payment of medical expense as the ones he wishes Mr. Smrha to disapprove. The National Bureau of Casualty & Surety Underwriters has two medical expense endorsements, one requiring a release and the other, carrying an additional premium, without this requirement.

Reciprocal Assured in Constant Danger.

(CONTINUED FROM PAGE 25)

Pennsylvania supreme court in June of this year. The exchange was taken over by the insurance department and the liquidator approved claims totaling \$291,000,000, with \$8,017 cash on hand. In 1929, an act of the Pennsylvania legislature made an assessment provision mandatory in all reciprocal contracts. From 1929 to May, 1933, when it became insolvent, Keystone Indemnity Exchange issued 62,882 policies to 26,930 subscribers, with total premiums of \$2,843,233. After the passage of the act requiring assessment provisions, Keystone Indemnity Exchange continued to issue non-assessable policies until April, 1930. The lower court, however, held that all policies issued since 1929, regardless of provisions, were assessable and ordered a 100 percent assessment on all contracts issued from 1929 to the time of insolvency. This was approved by the supreme court.

Says Loyalty Was Penalized

Repeatedly referring to assured of Keystone Indemnity Exchange as "co-insurers," Mr. Arnold emphasized that the assessment was on every policy, regardless of the number held by any one assured and regardless of when terminated. "This assessment," Mr. Arnold said, "was to be predicated not upon the fact of membership, but upon the number of policies held by each member. The greater the loyalty, the greater the obligation; the longer the period of fidelity, the greater the responsibility. . . . When one of this band of brothers, dazzled by the bright light of brotherhood, had continued faithful to the order and renewed annually his homage and fidelity, he increased his obligations and the limit of his assessments, and each year pyramided on the years gone before, holding the subscribers liable for an additional assessment equivalent to an annual premium for every policy received. All those to whom one annual premium, in addition to the premium saved, might have been a concession to economy, found to their amazement that the assessment was to be multiplied by the number of policies issued and received."

Reciprocals Can Be Sued

A favorite legal trick of reciprocal exchanges, Mr. Arnold said, is to maintain that an exchange has no legal existence and cannot be sued and that the attorney in fact or the individual subscribers must be sued individually. In the case of Long vs. Sakleson and State Automobile Insurance Company, the supreme court of Pennsylvania refused to accept this view and held that a reciprocal could be sued by its adopted name and that such a suit was binding upon all subscribers.

Following the opinion of the lower court in the Keystone Indemnity Exchange case, but before the supreme court opinion, the Pennsylvania legislature this spring authorized non-assessable policies for reciprocals, where an exchange has a surplus equal to the minimum capital and surplus required of a stock company transacting the same kind or kinds of business. Mr. Arnold pointed out that this means that the condition of the exchange on the effective date of the policy controls. The annual statement issued in January is not conclusive evidence for a subscriber whose policy is dated in October of the same year. There may be a question as to what funds of a reciprocal should be considered in the computation of the "surplus." Mr. Arnold emphasized that statutory reserves are always regarded as liabilities and this view has been affirmed by a number of courts and hence that any reasonable interpretation of this statute would require that the "surplus" of the exchange must be the excess over unearned premium, loss and all other established reserves and should be in excess of all funds retained by the attorney in fact to meet current expenses, litigation and claims. There is a burden on

the insurance department to determine whether a reciprocal seeking to issue non-assessable policies is complying with the act and a burden upon each subscriber to determine the exact mathematical financial status as a preliminary to the determination of whether the exemption from assessment is real or illusory.

Questions Omnibus, Mortgage Clauses

The discussion at the recent San Francisco meeting of the American Bar Association regarding the legality of the additional interests clause in a reciprocal automobile liability contract was described by Mr. Arnold. The Pennsylvania law authorizes individuals, partnerships and corporations to exchange reciprocal or interinsurance contracts with each other, providing indemnity among themselves from loss. Since the additional interest or omnibus clause insures unknown possible third parties, the question arises whether they become subscribers at a reciprocal exchange. If they become subscribers, they should be liable for an assessment. If they do not become subscribers, they cannot be insured within the definition of reciprocal insurance and the additional interests clause, being contrary to law, would be void. Mr. Arnold maintained that the insurance commissioner, if this contention is correct, should prohibit further use of the additional interests clause in reciprocal contracts.

Point Out Dilemma

Mr. Arnold suggested that the same reasoning should apply to the mortgage clause in a reciprocal fire insurance policy. There is no question under a loss payable clause constituting a mere assignment, but the mortgage clause has been recognized by the courts of Pennsylvania and other jurisdictions as constituting a separate, distinct and independent contract. Admitting that the question has never received a complete legal answer, Mr. Arnold pointed out the possibility of the same dilemma, that either the mortgagee is liable for an assessment as a subscriber or the mortgagee is not a subscriber and the mortgage clause is void.

Urges Policy Requirements

In the interest of reciprocal subscribers, Mr. Arnold urged the insurance department to require a new and clearer wording of interinsurance contracts, recommending a statement of who the insurer is and what it consists of. "Reciprocal policies," he said, "usually begin with the assertion that the subscriber is insured, but omit to say by whom he is insured. That there may be no quibbling, equivocation or evasion, it should appear in the policy who constitutes the insurer, all in the interest of clarity and an easy comprehension of the liability assumed."

"Nothing that has here been said is intended as an attack upon reciprocals as a whole. If these organizations are truly inter-insurers, if they recognize their responsibilities, if they meet their obligations, if the subscribers knowingly and intelligently really undertake to insure each other in exchange for like insurance in good faith, good! If not, however, not so good. A reciprocal, properly organized and operated on a basis of inter-insurance, without evasion, without subterfuge, without camouflage, is legitimate and justified, but as a mere method of false economy, as a deception, as a source of future and continued litigation, it is illegitimate. If it is founded on a true basis of mutuality pursued in good faith, uberrima fides, the utmost good faith, it is within the law, but the logic of past events, of unliquidated claims, unpaid judgments, unexpected assessments and unanticipated charges suggests pertinently the words of Matthew, Chapter 24, 'Because iniquity shall be found, the love of many shall wax cold.'

Strong Argument for Retrospective

(CONTINUED FROM PAGE 25)

tion of the experience on an interstate basis. Experience of the assured in all states where retrospective rating is permitted is combined in computing the adjusted risk premium. Under the present experience rating plan, interstate combinations of experience is not permitted. The assured in selecting the retrospective rating basis of premium adjustment is completely protected by the company against his obligations as specified by law. By its immediate reflection premiumwise of favorable loss experience it provides a tangible and effective incentive for accident prevention and safety work.

Massachusetts Results

Mr. Randall reviewed the results produced in Massachusetts which was the first state to adopt the plan as of May 1, 1936. The total audited standard premium for these risks was \$862,052 and the adjusted retrospective premium amounted to \$658,665, therefore, indicating a net reduction of 23.6. Only one risk produced a maximum premium, the surcharge amounting to 39.5. Approximately 90 percent of the risks produced substantial premium credits averaging about 29 percent. He said that the experience for the Travelers brought down to Aug. 1 of 1939 shows results similar to those indicated for all companies in Massachusetts. These risks produced a total standard premium of \$1,664,000 and adjusted retrospective premium \$1,293,000 thereby indicating an average net premium saving of about 22 percent.

Some Objections Answered

In answer to the objection that the plan will not work advantageously in case of smaller risks Mr. Randall said that the odds are distinctively in favor of the \$5,000 risk receiving a substantial premium reduction under the retrospective rating plan. He also referred to the contention that under this plan commissions are paid on the minimum premium only and the company does not participate. The agents take a reduction in commission which is not offset by any contribution on the part of the company, in other words the stock companies, he said, do favor a graduation downward in the item of home office administration and payroll audit expense as the size of the risk increases. A proposal incorporating such a graduation has been filed by the stock companies in New York and it is believed that definite action will be taken by the New York authorities in the near future. It is contemplated that similar proposals will be made in other states. Even though no reduction in these expenses is incorporated in the plan there is as much if not more contributed on the part of the companies as compared with the contribution made by the producers. He made these remarks challenging the argument that the companies should match the reduction in commission with a similar reduction in the part of expense loading.

Companies Have Been Fair

Mr. Randall believes that any thinking producer should agree that the companies have been fair in the matter and they are contributing a substantial portion of their underwriting profits which more than matches the reduction in commission. The reduction in commission to the producer, he said, plus the contribution from the underwriting profit by the carrier are necessary in order to produce a premium commensurate with the requirement for such a risk. The plan is designed to open the door to many self-insured risks which is most difficult to enter in any form of insurance under the present system.

Another objection which has been voiced is that the period elapsing between the termination of the policy period and the determination of the

retrospective premium adjustment will not appeal to many assured particularly contracting risks. The experience of the Travelers, he said, has been that there has been no difficulty experienced in this respect. A considerable number of contracting risks have been written under the plan without any objection being raised on the ground that the retrospective premium will not be definitely determined until some time after the policy is expired. In practically all states the losses, he said, which are used in determining the retrospective premium are the actual ones incurred without modification.

The fact that the retrospective rating plan has been made available only to risks with a premium of \$5,000 or more, he claimed, does not violate the antidiscriminatory provisions of the law. Classification of compensation risks according to premium size is a principle which has already been recognized not only in the underlying rate making procedure but in the determination of adjusted rates under the experience rating plan.

On analysis, he said, most of the objections which have been raised to the plan are found to be of a technical nature and without foundation in the light of the actual results produced. Satisfactory progress is being made, he asserted, in educating agents and employers in the advantage of this method of rating.

Situation in Pennsylvania

He called attention to the fact that in Pennsylvania in 1936 there were over 400 risks with a premium of \$5,000 or more involving a total premium volume in excess of \$4,500,000. He estimated that between 40 and 50 percent of the payrolls in Pennsylvania are self insured. Retrospective rating plan, he said, represents an approach to the problem of meeting the requirements of the larger compensation risks but it is not claimed that it is perfect. Certain changes have been made and others are under consideration which it is believed will further the interests of the insuring public. The removal of the advance premium surcharge requirement and the optional application of the plan on a long term basis extending over more than one year to construction risks he cited as examples of improvement.

Mr. Randall looks forward to the time when retrospective rating plan principles may be extended to other forms of casualty insurance.

Summary is Given

He summarized the aspects of retrospective rating as follows:

1. There is a real need for the retrospective rating plan for larger compensation risks.
2. It affords a practical and logical means of determining the compensation premium for such risks.
3. It will benefit all risks whether or not applicable to them through resulting manual rate reductions.
4. It establishes a definite incentive for accident prevention and control with an immediate reflection of the results of such efforts.
5. Its technical application removes the charge of unfair discrimination.
6. Technical objections do not constitute sufficient cause for denying it to the risks which will qualify for treatment.
7. It has passed beyond the experimental stage. The results clearly demonstrate its advantages.
8. It affords an opportunity for producers and companies to interest a self-insured risk in becoming insured.

Republic Mutual of Columbus, O., will hold its fall meeting and football party Oct. 6-7 in Columbus. More than 250 agents and their ladies are expected to attend. Following the business meeting Friday, the banquet will be addressed by Superintendent Lloyd of Ohio and Judge E. C. Turner of the Franklin county court of common pleas. On Saturday after a discussion on automobile insurance, the visitors will be guests of the company at the Ohio State-Missouri football game.

NEWS OF CASUALTY ASSOCIATIONS

Boiler, Machinery Cover in Demand in Detroit

DETROIT—The prospect for greatly improved industrial conditions as result of the European war has led to a considerable increase in the demand for boiler and machinery insurance in the Detroit industrial area, it was reported at the first fall meeting of the Casualty & Surety Executives Association of Michigan, with President C. L. Miller, Standard Accident, in the chair.

Sales Made Easily

While war-stimulated orders have not yet come through in any appreciable quantity, Detroit industrialists believe the war will have a beneficial effect on manufacturing and fabricating of a number of products produced in Detroit plants. Consequently it has been easy to persuade manufacturers to add or increase boiler and machinery coverage, managers declared. Instances were cited in which plant operators have telephoned insurance offices asking for rates on such cover.

Adjusters Hear Bar Meeting Report

LOS ANGELES—The California State Bar Association approved the American Bar Association recommendations on the lawyer-adjuster controversy except the one dealing with legislation to be sponsored by the lawyers, G. H. Jackson, attorney, told the Casualty Insurance Adjusters Association of Southern California in his report on the recent state bar meeting. This recommendation has been referred to the committee on administration of justice and will be reported and discussed at the 1940 state bar convention. President L. Z. Mudra of the adjusters association was authorized to appoint a special committee of independent attorneys to confer with the state bar committee on legislative recommendations.

Mr. Jackson also reported that the question of legislation on the survival of tort actions was left for the next legislature. California is one of the few states in which suits cannot be brought against the estate or personal representative of a person causing an accident who dies before the trial. The state bar association went on record against compulsory automobile liability insurance.

John McCall, attorney, and W. E. Myers, West American, were appointed a committee to cooperate with other insurance organizations in combating the "\$30 every Thursday" plan.

Chapman San Antonio Speaker

SAN ANTONIO, TEX. — The San Antonio Claim Men's Association had as its guest speaker R. C. Chapman of the Index Bureau of the Association of Casualty & Surety Executives, Dallas, Tex., who explained the work of the bureau in providing information which assures legitimate claimants prompt settlement of their claims and yet aids the companies and their adjusters in protecting themselves against fraudulent claims and repeaters.

Casualty Engineers Meet Sept. 29

The Casualty Engineers Club of Chicago will hold its first meeting of the season at the Midland Club Sept. 29 at 6 p. m. This year it is the intention to present a variety of programs covering many types of engineering problems including elevators, vapor and dust proof motors, waxes for floors, public liability.

Name Honorary Members

DENVER—The Mountain States Casualty & Surety Association at its first fall meeting named Commissioner Kavanaugh and former Commissioner C. W. Fairchild, now general manager

of the Association of Casualty & Surety Executives, as honorary members.

At the first fall meeting of the Pittsburgh Casualty Claim Men's Association President G. J. O'Rourke appointed a committee to plan an entertainment in connection with the October meeting.

PERSONALS

L. Ray Ringer of the Aetna Casualty & Surety has been appointed to the faculty of the Hartford College of Insurance. He will teach the course in casualty insurance. Mr. Ringer, who is in charge of the educational extension division of the Aetna Casualty, conducts the home study course in casualty and surety lines for agents and prepares material for and organizes classes in the field offices. In addition he is editor of educational and sales publications. He is a graduate from West Virginia University and Harvard Graduate School of Business Administration. In 1920 Mr. Ringer went with the George Washing-

ton Life of Charleston, W. Va., and continued there until 1926, joining the Aetna Casualty in 1927.

Price Cross, 78, founder and former president of the International Travelers Assurance of Dallas, died in California. The company at first wrote only health and accident insurance but later added life insurance. He retired from business several years ago.

Oct. 15 will mark 25 years of service in the Cleveland office of Aetna Casualty for H. S. Frank, superintendent fidelity and surety department. Before joining with the Aetna in 1913 he was trust officer of the Indiana Trust Co., Indianapolis. He has served as president of the Cleveland Surety Underwriters Association for several terms.

C. H. Wilson of Wilson, Forster & McCall, Buffalo general agents of General Accident, distributed awards to 200 employees of the Erie county highway department who have driven two or more years without being involved in an accident.

W. C. Sampson, vice-president and sales manager of the Employers Mutuals of Wausau, Wis., has been named general chairman for the Community Chest campaign to be conducted there in October.

YOU'RE THE WINNER!

In many States, this November will usher in another election time. A bit too soon to predict the winning candidates, but you'll be a winner if you plan to call on all candidates early and obtain their promises to write their public official bonds in Ohio Casualty.

Such promises are being made right now, and right now is the time to plan to get your share of this profitable business.

If in unassigned territory, write today for full details about this and other profit-making Ohio Casualty coverages.

THE OHIO CASUALTY INSURANCE COMPANY

HOME OFFICE

HAMILTON, OHIO

Pennsylvania Agents to Put Commissions Up to Legislature

(CONTINUED FROM PAGE 5)

competitors operating on the non-profit basis. It is fully recognized that the agents' future rests on economic justification, as was pointed out by Sidney O. Smith, chairman executive committee National Association of Insurance Agents, at the general session. Agents realize that they may be better off with lower commissions provided there is more selective appointment of representation by the companies. In fact, more stringent qualifications for agents is one of the main points in the negotiations which have been going on between the association and the companies.

The resolution states that: "Whereas a conference committee of the Pennsylvania Association of Insurance Agents is now negotiating with a similar committee from the fire companies on the question of improving conditions in the fire insurance business in Pennsylvania; now therefore it is resolved that the officers of this association and the conference committee be and they hereby are directed to prepare legislation and submit the same for introduction at the next session of legislature: such legislation to include on a fair and reasonable basis all the objectives which the conference committee is now endeavoring to attain in negotiation with the fire companies so far as these objectives are susceptible to legislative treatment; such legislation also to be prepared under the guidance of competent legal counsel so that if enacted into law it will pass judicial scrutiny.

Seeks Department's Aid

"It is further resolved that the officers of the association confer immediately with the insurance commissioner of Pennsylvania to ascertain how far the supervisory powers of the insurance department are available in aid of this program."

The next regular session of the Pennsylvania legislature will be in 1941. No action could be taken before that time unless a special session were called, in which case action could be taken on the commission situation only if the governor included that subject in his call, which is of course unlikely.

In view of the Pennsylvania situation, the address of Commissioner Taggart at the banquet took on particular significance. Commissioner Taggart said in part:

"Many of the ills besetting insurance and upsetting morals and ethics of the business are the result of failure to appreciate the reciprocal responsibilities of

those in the company office and those representing the company in the field, and a better understanding between the company and its production factor, honestly arrived at and conscientiously kept, would be helpful and relieve the insurance department of unpleasant duties and would quite likely relieve the pressure for remedial legislation.

Taggart Mentions Stockholders

"As insurance commissioner I am charged with the duty of enforcing the insurance laws of the commonwealth and this includes the morals and ethics of insurance. I want to see the insurance needs of this commonwealth supplied by solvent companies and at an honest cost. Insurance companies should protect their good names and their established producing agencies and not flood the field with agency prospects taken from the relief rolls, with the hope such agents can control or acquire some premium for them at the expense of other agents or companies, in disregard of its cost or effect to the business.

"The stockholders exercise their keenest judgment in selecting directors and officers to represent their investment and their business and the officers and directors thus chosen should exercise equal care and thought in creating their agency system, and see that the stockholder is not solicited in his home community by a person in whom he has no confidence. Political insurance commissions are a scandal and hard and expensive for established and ethical agencies to get, and this goes for the companies. For a company to ask a license for an agent because he can get as his first premium the coverage on the new high school in his district is not in the interest of better insurance conditions."

Resolutions on Commissions

Two resolutions were adopted dealing directly with the problems of the field. One directed the association officers to communicate with the National Bureau of Casualty & Surety Underwriters with a view to restoring the rate of commission on automobile liability and property damage prevailing before the drastic reductions in rates promulgated in April of this year. The resolution points out that the reduction in commission rates and premium rates has resulted in a loss of income to the agents.

Another resolution directed the officers to communicate with the conference on acquisition and field supervision cost in order to obtain a decision that on all

audited compensation premiums on policies written before July 1, 1939, the rate of commission to the agent shall be on the scale which applies on the basis of a maximum of 17½ percent. The resolution points out that the acquisition cost conference, as of July 1, 1939, ruled that commissions on compensation policies effective prior to July 1, 1939, would be on the basis of a maximum of 15 percent, while all policies, new and renewals, effective on or after that date are to be on a revised scale having a maximum of 17½ percent.

Opportunity on Financed Cars

The "economic justification" treated by Mr. Smith was touched on from another angle by L. R. Finn of the automobile loan department of the Marine National Bank of Erie. Mr. Finn effectively supplemented his speech with a large display board on which were samples of the literature and advertising used by the bank and the local agents in Erie to promote the sale of insurance on automobiles financed by banks.

Mr. Finn did not pull his punches but declared that the agents had missed the boat when the rise of automobile financing companies brought the need for insurance to fit their requirements. He warned that the banks would likewise by-pass the agents unless they were awake to the opportunity. He pointed out that the original cause for finance companies forming their own insurance concerns for making overhead deals with insurance companies was not profit but protection and service that was vital to them.

Some Skip Coverage

In this connection he mentioned that one large Chicago bank and several banks in the east had eliminated the insurance problem by simply not requiring fire, theft or collision insurance. Another bank in a large city found it was too much work to deal through the local agents and today has its own insurance setup. Some banks are making connections with companies direct and not through local agents.

"I don't think it is going to be many months till you will see if you have missed the boat," he said. "It is going to take work on your part," he emphasized. "This business will not be handed to you. You must work for it."

Turning to specific suggestions which have proved their worth in actual use in Erie, Mr. Finn said that one agent has made excellent use of the slogan,

"Don't trade in your policy when you trade in your car." It is very catchy, he said, and it works, for many assured do not realize how much they lose when they cancel a policy short rate. Financed-car business is profitable, he pointed out, since it stays on the books because people usually trade cars every two or three years. Further, it is an unexcelled opportunity to sell liability coverage as well. One Erie agent succeeds in selling liability to between 90 and 95 percent of motorists to whom he sells the fire, theft, and collision coverage required by the banks.

Mr. Finn went into some detail on the methods used by finance companies.

"We have found that most of these finance companies control the insurance they write," he said. "It appears as if the insurance of automobiles is the most important part of financing. They don't solicit it through the agents but through their employees, who solicit it along with the financing. In many cases a branch office employee adjusts losses. In many cases automobile dealers act as unlicensed agents."

Pay Based on Insurance

Mr. Finn said that this had been proved by cases where the dealer had failed to receive the full commission or "reserve," as it is called. On checking up, the dealer found that the buyer, while financing with his company, had taken insurance elsewhere, resulting in the dealer's being penalized. He said he had definitely come to the conclusion that this "reserve" as it applies to the insurance is a commission and under the state law constitutes rebating. Sometimes these commissions to dealers run to excessive figures, he said. Also, in their zeal, dealers frequently overlook the insurance law on incomplete comparisons and complaints are received every day from agents, mainly on dropping existing insurance under the short rate cancellation provision.

Mr. Finn also said that investigation would undoubtedly show that many small outfits charge for insurance that is never placed or that is placed on a basis which protects only the finance company and not the buyer. He expressed the hope that the state insurance department would succeed in making these concerns comply with the law, since otherwise the situation tends to penalize the local agent and the banks which promote financing through local agents.

Working With Dealer

The local dealer is the best place for an agent to start working, Mr. Finn said. Doing business locally has a great appeal and the dealer will be a good friend if the agent will meet him half way. Usually the dealer controls the

PROMINENT FIGURES AT PENNSYLVANIA AGENTS MEETING



HENRY M. ALBERT, Stroudsburg, Pa.
State President



SIDNEY O. SMITH, Gainesville, Ga.
National Exec. Com. Chairman



FRANK D. MOSES
Manager Pennsylvania Association



N. B. McCULLOCH, New York
Production Manager, Globe Indemnity

placing of the insurance and financing. There are, of course, certain obstacles to be overcome. First, it is more profitable for the dealer to do business with his affiliated finance company because of the bonus or "reserve" which he receives. Then there is repair business which comes to him through this channel.

The first problem is to get the dealer sufficiently friendly so he will not work against the agent. The agent has something to offer, if he stops to think about it, Mr. Finn said. There is repair business which he can steer toward the dealer in addition to repairs on financed cars. Too much insurance repair business goes to alley garages, said Mr. Finn, and this could be turned toward the dealer, who is usually better equipped to handle it.

Scores Discount on Parts

Another matter, he said, is the agents' custom of requiring discounts on parts in loss adjustments.

"After all, the dealer is in business for profit and the discount is small compared to the amount of business that you could get through his good-will," said Mr. Finn. "Did it ever occur to you that the dealer might consider that you are not entitled to the commission you get on financed business because it requires less effort than you usually have to exert?"

State associations of agents and the National Association of Insurance Agents can lend their aid to dealers to help ward off insidious opposition and hostile legislation, he added.

Accusing the companies and agents of treating fire, theft, and collision business "like a bastard child," Mr. Finn said there is a real need for a national and state campaign on the merits of these coverages so that the banks will not have to do the selling job, as it does now. When the banks can take it for granted that the cars they are financing already carry fire, theft, and collision insurance, the local agents need have no fear that competition is going to take their business away from them he said, adding that "that will be a fine day for the banks."

Officers Reelected

President H. M. Albert, Stroudsburg, and other officers were reelected with the exception of Vice-president W. R. Roberts, who because of the pressure of his duties as auditor of the state was unable to accede to the association's wish to make him president. He was elected honorary vice-president.

New directors are J. H. Abrams, Pittsburgh; W. J. Boland, Scranton, and J. W. Henry, Jr., Pittsburgh. Other directors were reelected, with the exception of E. L. Man, Scranton, and Mr. Morgan. H. E. McKelvey, Pittsburgh, and A. S. Arnold were reelected national councillor and general counsel respectively.

Directors reelected are Daniel F. Ancona, Jr., Reading; J. W. Barr, Oil City; S. D. Clyde, Chester; D. L. Edwards, Wilkes-Barre; L. Val Hood, Washington; H. H. Kenney, Philadelphia; H. P.

WANTED

Accident-Health; home office underwriting and claims experience capable of organizing and directing accident-health department of old established New York Life Company. State age, education, experience and approximate salary requirement, enclosing non-returnable photo. ADDRESS K-50, NATIONAL UNDERWRITER 175 W. Jackson Blvd., Chicago

POSITION DESIRED

Claims Executive and Attorney, 12 years' Home Office, Branch Office, Independent Adjusting and trial experience in all types of casualty and automobile claims, age 35. Now holding executive claim position desires change with future. ADDRESS K-49, NATIONAL UNDERWRITER 175 W. Jackson Blvd., Chicago

POSITION WANTED

Claim department executive available October 1. Legal education. Seventeen years field and executive experience. Interested only in position of importance with commensurate salary. Excellent references. ADDRESS K-48, NATIONAL UNDERWRITER 175 W. Jackson Blvd., Chicago

Lichtenthaler, Pittsburgh; Quincy A. McBride, New Castle; Wm. C. McCormick, Williamsport; I. D. McQuiston, Erie; Paul H. Miers, Allentown; J. K. Payne, Philadelphia; W. M. Reid, Pittsburgh; J. H. Sprecher, Lebanon; Laurence B. Starr, Meadville; H. D. Wolff, Easton.

One of the resolutions adopted endorsed the retrospective rating plan for workmen's compensation and directed the association's officers to confer with the insurance commissioner and request him to take such steps as in his judgment may be necessary to make the plan effective in Pennsylvania so that it may be included in the 1940 compensation manual.

CONVENTION NOTES

Arthur S. Arnold, Philadelphia, the association's veteran general counsel, won the Thursday morning door prize, a leather toilet kit. In expressing gratification at Mr. Arnold's good fortune, President H. M. Albert mentioned that Mr. Arnold did \$5,000 worth of work a year for nothing for the association.

John W. Donahue, Maryland Casualty manager at Philadelphia, has an aversion to high places and quickly got himself shifted from the top floor solarium to a room near the ground.

Stanley Cowman, of Mather & Co., Philadelphia, kept an eagle eye on the war news. His firm does a large marine business.

A. S. Galland, Wilkes-Barre, was the only past president on hand and even he had to interrupt his stay by returning to his office Thursday, but was able to return in time for the banquet.

Three past presidents, K. H. Barr, Greensburg; J. W. Henry, Pittsburgh; and W. F. Wingett, Scranton, were absent on account of illness. The association sent them wires noting with regret their absence and wishing them speedy recovery.

J. W. Henry, Jr., is carrying on the family tradition, having been elected a director this year. His father was one of the three past presidents who were absent because of illness.

Former Commissioner Owen B. Hunt, now head of the Owen B. Hunt adjustment bureau of Philadelphia, was on hand, discussing with equal fluency the adjusting business and the war situation. Mr. Hunt, who participated actively in the last war, has very definite ideas about the United States keeping out of this one.

Secretary W. T. Harper of the Maryland Casualty was among the home office officials present.

J. W. Barr, Oil City, was so impressed by the talk of Sidney O. Smith, chairman executive committee National Association of Insurance Agents, that he gave a short impromptu talk urging greater appreciation of what the National association is doing for the agent.

Charles Bokman, Pittsburgh manager New Amsterdam Casualty, has attended probably more of these Pennsylvania association meetings consecutively than any other company man. He hasn't missed one for at least a dozen years.

R. W. Alexander, first deputy insurance commissioner Pennsylvania, and formerly one of the association's most active members, was able to leave Harrisburg long enough to attend the latter half of the convention.

Frank D. Moses, Harrisburg, association secretary-manager, undertook the duties of trade paper correspondent in addition to his innumerable other convention tasks, thereby corroborating the old saying that the way to get a thing done is to ask a busy man to do it.

John C. McCarthy, Pittsburgh, turned up in a gates-ajar collar, thereby impelling his friends to ask him if he were going to make a speech. He threatened to do so.

H. D. Hart, Maryland Casualty manager at Harrisburg, got one of the lowest gross golf scores, turning in a 77.

N. B. McCulloch, production manager Globe Indemnity and until recently in the insurance business at Lancaster, was formerly so active in Pennsylvania association affairs that he felt somewhat puzzled as to whether he was an agent or a company man.

Homer W. Tenner, secretary-manager Insurance Federation of Pennsylvania, was on hand as an interested observer. He has been following the federal monopoly committee hearings on life insurance closely and believes that any



SCRAPPING TRADITION!

A NEW UNRESTRICTED ALL RISK
BLANKET PUBLIC LIABILITY POLICY
—PROTECTION AGAINST EVERY
CONCEIVABLE HAZARD—AUTOMOBILE
AND AIRCRAFT ONLY EXCEPTIONS

Great Lakes Casualty Company
BUHL BUILDING • DETROIT • MICHIGAN

A Leader

in production of
Accident and Health



Chattanooga—Since 1887—Tennessee
Life • Accident • Health • Hospital • Group

move for federal regulation of life insurance will necessarily draw the fire and casualty business along with it.

W. T. Roberts, Bethlehem local agent, who is also auditor-general of the state and a former state senator, acted as chairman of the Thursday morning session.

Only two camera enthusiasts were observed in action, but they were well equipped. **R. H. Furner**, resident manager, Maryland Casualty, Pittsburgh, made a number of candid shots at the banquet with his high-powered Contax. **Donald Denton** of the New Amsterdam's Philadelphia office had one of the new Eastman miniatures.

For the second year the **American Casualty** of Reading provided the floor show that followed the annual banquet. The Broadway entertainment was on the same high level as last year's. **Rodney McLennan** (not connected with Marsh & McLennan) was master of ceremonies and rendered some of the numbers he used to sing over the radio on the "Manhattan Merry-Go-Round" hour.

Daniel Ancona, Jr., Reading, was one of the busiest men at the convention, having charge of prizes and entertainment arrangements. The skyline drive, including a tour of the famous Berkshire Knitting Mills, with the gift of a pair of hose to each lady, was a popular feature which won much feminine appreciation for Mr. Ancona.

It was fortunate that one of the ablest stenotypists in the business, **L. L. Walsh**, was reporting the meeting when **Roy A. Duffus** of Rochester, N. Y., got under way with his speech. "Streamlined Roy," as President **H. M. Albert** dubbed him, is an extremely swift talker anyway and, being the last speaker on the program that was running somewhat behind schedule, endeavored to compress the maximum number of words into every minute.

In the general gaiety following the banquet a young man was feverishly seeking his father. Touched by this filial solicitude, someone asked him if he were afraid his father might have got into bad company.

"Hell, no, he can take care of himself all right," the young man said, "but he's left the car parked broadside in the driveway and taken the keys with him."

Frank Bradenbaugh, Pittsburgh manager Hartford Accident, got the unofficial low gross score of 76 but it was not during the tournament play.

There was a strong delegation on hand from western Pennsylvania and quite a bit of discussion about holding next year's meeting in that section of the state, in which case the location would probably be **Conneaut Lake**, near Erie.

Presiding at the annual banquet, President **H. M. Albert** enlivened his remarks with some humorous touches. He said that one of the speakers, **L. R. Finn** of the auto loan department, Marine National Bank of Erie, misdirected on his way to the hotel, had reached the state insane asylum and for a few minutes thought he was in the right place.

Quincy McBride came all the way from New Castle at the western edge of the state. He had much to say about the approaching Lawrence county agents meeting Sept. 28, which he predicted would rival the state meeting in attendance.

New Portland Club Officers

PORTLAND, ORE.—The Portland Accident & Health Insurance Club opened a new activity this year at its regular monthly meeting Monday, September 18, when newly elected officers occupied the official chairs for the first time. Presiding was **H. E. Witham**, Federal Life, who succeeded **M. S. Bryant**, North American Accident, as president. **C. G. Plowe**, Northern Life, is vice-president, and **Ted Nickerson**, Maryland Casualty, secretary.

U. S. F. & G. Buffalo Meeting

BUFFALO, N. Y.—The new plan of giving lower automobile liability rates to drivers who do not use their automobiles for business properties will bring reduced rates to 52.8 percent of Buffalo motorists, **J. E. Buck**, Buffalo manager, explained to 60 agents of the United States Fidelity & Guaranty at a luncheon meeting here. **P. F. Lee**, vice-president and agency director represented the home office.

Stormy Session Is Held in Colorado

(CONTINUED FROM PAGE 5)

"the operation of 'underwriters' as an adjunct to the parent company is wholly unnecessary, undesirable and prejudicial to the business, and creates many evils inimical and opposed to the best interests of the insurance business."

Want Changes Submitted

Changes in rates, forms and rules by both fire and casualty companies have not always been to the best interest of producers, companies or the insuring public, it was declared. The association demanded that further changes be referred to it for approval.

In the resolution demanding contingent commissions, it was pointed out that the loss ratio in Colorado has not exceeded 50 percent in the last 17 years. It was maintained that this favorable record is due in no small measure to careful selection and inspection of risks by the producing agents. In view of the desirability of encouraging continued watchfulness by the agent by making him "loss conscious," the association demanded a 15 percent contingent commission to be computed on the saving in the loss ratio under 50 percent of premium income. The commission demanded would be paid to the agency on the basis of the record of the agency as a whole and not on the record of the individual company in the agency. The commissions would be paid within 90 days following Jan. 1 but would not be paid unless all balances due from the agency were paid by the current date. The resolution takes in automobile finance companies and urges that they shall not receive a greater scale of commissions than is paid the local agent.

Oppose State Funds

The association also went on record as strongly opposing state funds. A five to seven man grievance committee whose members are to examine all fire and casualty agent appointments and

hear complaints on reported violations of ethical practices was established. The committee will report its findings to the members as a whole with the view of getting cooperation from the insurance department and the companies on correction of evils and abuses of authority.

A final resolution congratulated Commissioner **Kavanaugh** on his appointment and pledged him association cooperation.

President Urges Membership Work

In his opening address President **B. W. Crockett**, Colorado Springs, declared that a sound foundation had been laid for further association advances and urged concentration on membership and legislative work. Although there are 1,000 eligible agents, the association has a membership of only 102. With increased membership, the group could support a fulltime executive officer and all types of work thereby be made much more effective. He suggested that both membership and legislative committees be increased to include one member from each possible town.

Gains 10 Members

In his report as membership chairman, **Frank England, Jr.**, showed that the association had gained 10 members.

A. P. Miller, chairman, publicity and education, urged a solid front against the cooperative idea. He declared that the profit system is on trial all over the world and that "we must fight this cooperative thing for it's just socialism under another name."

Referring to the recent success of the Denver association in getting the business on the state capital annex as a collective body, he urged that at least part of the commissions on such business be turned back into the association for creation of an educational fund with which to go after problems as they exist.

Chairman **Hal Van Gilder** of the leg-

islative committee stressed the theme that the companies are increasing the acquisition costs about which they complain by appointing too many agents.

Mr. Van Gilder quoted from the South Carolina agency bulletin to prove "that it takes real money to make an agency plant and maintain it." Expenses of an average field man were cited as \$15 per day which is also the basic cost of appointing an agent. Supplies were listed at \$12.50. Manuals were mentioned at \$2 to \$3, taxes at \$6. To this point the claimed investment was \$35. Followup calls during the year were figured at a total of \$15, making a \$50 total for the year. The article Mr. Van Gilder quoted went on to declare that if the agent proved an extra good one, favors shown him would amount to \$30 or \$40 a year, running the cost of some agents up to \$80 or \$90. It was further pointed out that if the account is lost, a further cost is involved in closing it.

The article concluded that every company has plenty of such agency plants on their books, that they spend much of their time developing new plants which, in a majority of cases, are highly unprofitable. "An average of some companies showed 60 percent of their agents produced about 5 percent of the business," Mr. Van Gilder quoted the article as saying. "And the average income from these agencies amounted to \$125 per year. Then 8 percent to 15 percent produced about 5 percent of the business or \$725 each year. Then 25 percent of their agents produced about 90 percent of the business, averaging over \$1,000 per year. That is bad enough but look at the loss ratios. The 60 percent group had a loss ratio of over 100 percent, and the next group had a loss ratio of over 70 percent. In other words, over 70 percent of the plants are producing on a basis that excludes profits."

Produces High Acquisition Cost

Mr. Van Gilder went on to say: "The situation of too many agents and too many companies has produced the high acquisition cost which is complained of. Good agents are having a tough time of it as it is, as well as the companies. But many of the companies could, if they saw fit, increase the volume of business done by their best agents by reducing the number of those constantly whittling down this volume."

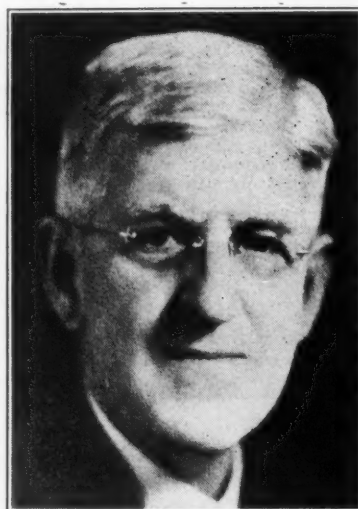
"If the companies are making 20 percent net, don't you think the agents are entitled to the same," Mr. Van Gilder quoted figures to show that total acquisition cost of seven well known companies is 50.1 percent. With agent's commission averaging 21½ percent, that leaves 28.6 for field men, supervision, home office salaries, rent and other management expenses, Mr. Van Gilder pointed out. Using Colorado premiums, the speaker declared that on the basis of a 45 percent acquisition cost, the companies would be netting approximately 20 percent or on the basis of a 50 percent acquisition cost, 15 percent net. The agent, he declared, finds it difficult to make 5 percent net.

Urges Grievance Committee

Mr. Van Gilder urged the appointment of a grievance committee, "whose members will report every obnoxious appointment coming to their attention. This committee would obtain the facts, embody such facts in a notice to the company that they consider the appointment injurious to the agency system and exactly why it is injurious, such notice to give the company ample time to rectify the situation. If such is not done, then all member agents doing business with said company or any company of that fleet should at once cease writing business with them until the appointment is withdrawn or the matter settled to the satisfaction of the association."

In open discussion on the proposal for the contingent commission resolution, **Frank England** declared that some have pointed out an increase in agent's com-

New Philadelphia Team Is Formed



T. B. DONALDSON



G. R. DETTE

Thomas B. Donaldson, who retired just recently as president of Pennsylvania Indemnity when that company was acquired by the Ohio Casualty, has become president of Pennsylvania General Underwriters, which is reorganized. The office is at 1500 Walnut street, Philadelphia. **G. R. Dette** and **H. S. Van Syckel** are vice-presidents and **W. H. Chapman** is secretary.

Mr. Donaldson is a former insurance commissioner of Pennsylvania and then for a good many years served as vice-president of Eagle Fire of New Jersey. Mr. Dette for six years was secretary-

manager of the Insurance Federation of Pennsylvania. For the past several years he has been superintendent of agencies for Pennsylvania Indemnity.

Mr. Van Syckel for the past three years has been associated with Pennsylvania Indemnity in charge of the Pennsylvania General Underwriters. For some time he was special agent in Philadelphia for Home of New York.

Mr. Chapman is a lawyer, specializing in insurance.

John W. Shoyer, assistant secretary, will have charge of underwriting for the agency.

missions might give the commissioner a reason for a further reduction in rates, A. P. Miller declared that if agents attempt to show the companies are making too much money that would justify the position of the mutuals. "Even though there are doubtless some equalities, we have to recognize that there are only two systems, the capitalistic and the socialistic," Mr. Miller said. "The whole American agency system is a part of the first. I believe we want to maintain it." Walter Baker, retiring president of the Colorado Springs Board, held that demands for increased commissions should be on basic commissions rather than on a contingent basis. He went on to recommend a graduated scale on a volume basis which he said would tend to discourage "curbstoners."

Cooperation is Urged

In his report on activities of the Denver association, President Harold O. Wilber urged cooperation between local and general agents. "We can do a lot to solve our problems if we'll only take the trouble to sit down and talk them out with other branches of the business," Mr. Wilber said. "We can legislate forever. Yet if we violate our own rules, we're not getting anywhere."

Herbert Fairall, Denver, urged that a special committee go after the support of general agents and field men in attempting to outlaw mutual insurance for state buildings in Colorado. Mr. Fairall reported that School District No. 1 is now buying one-third of all its fire insurance from mutuals. He further pointed out that in 1929 the attorney general handed down an opinion holding it was illegal for school districts to buy mutual insurance. This decision was reversed in 1932, based on a supreme court decision in Pennsylvania. However, in a recent conference with Governor Carr, Mr. Fairall reported, the governor declared pointedly that state sub-divisions could not buy mutual insurance. When the governor asked Attorney-general Rogers whether he'd uphold the viewpoint, the attorney-general nodded affirmatively. Mr. Fairall recommended that all branches of the business get together to bring a test case in Colorado and try to establish the illegality of mutual insurance on state business.

Extend Greetings

Greetings were extended by Sam B. McAllister, president Mountain Field Club; Reed Penington, president Mountain States General Agents Association; Henry Evans, president Mountain States Casualty & Surety Association; Fred R. Lanagan, president American Association of Insurance General Agents, and Walter J. Kulp, manager Mountain States Inspection Bureau.

George E. Stroub, secretary Home of New York, told of the value of association work. "Organization does not limit individual effort," he concluded. "It merely defines the rules of the game."

The following directors were elected for three year terms: Harold Koster, Salida; Frank Cotten, Jr., Colorado Springs; Harold Wilber, Denver; D. U. Hampton, Colorado Springs; and Frank England, Jr., Denver.

Kavanaugh Defends Department

Commissioner Kavanaugh vigorously defended his department against the many charges that have been made against it in recent years. Although the department has been singled out for many assaults, he reminded the agents that insurance generally has been attacked and called upon them for assistance in carrying the message to policyholders and to members of the legislature.

"Tell them," Mr. Kavanaugh said, "what you and I know—that if there

is anything wrong with insurance or insurance laws or the insurance department, you want correction, but you don't want any moron blowing up the house because the back door is out of plumb."

Mr. Kavanaugh said that one important reason why insurance had been a political football in Colorado is that insurance men have failed as a body to rally to its defense. He urged a licensing statute to curb the activities of so-called counsellors, saying that he had already acted upon the matter with good results without any law. He maintained that if the legislature is fully informed of the facts, instead of misinformed, it will act wisely.

Attacks "Peanut Politicians"

"Unjust, unwarranted and unsubstantiated attacks," Mr. Kavanaugh said, "have been made upon insurance by peanut politicians seeking to make the front page, at whatever cost to policyholders or the insurance fraternity. In all this turmoil of rumor and half truth, if any serious constructive effort has been made toward betterment of insurance, it has escaped my attention. Irregular practices that were ended long ago have been repeatedly held up to the public as horrible examples."

"No direct attack has been made upon the present commissioner nor upon the present conduct of this department. But the sly inference is left that the sins of the past may still be existent. . . . The place to begin betterment of insurance is in this department, not in the newspapers."

F. R. Lanagan's Talk

F. R. Lanagan of Denver, president American Association of Insurance General Agents, in his talk said that it seemed to him that the insurance business has become very complicated. The fire, casualty and inland marine lines as produced through the American agency system, have become so inter-related that now perhaps more than ever before the companies, general and local agents should present a united front if they are not to have demoralization of the business. He defined "solidarity" and "united front" as loyalty of the affiliated companies to their agents and loyalty of those agents to their companies. If either attempts to play both sides of the fence, thereby lending aid to those destructive forces that are forever about offering various inducements to break up the lines, he predicted that there can be no satisfactory solidarity.

Fidelity & Casualty to Hold Three Michigan Conferences

DETROIT—The Michigan branch of the Fidelity & Casualty will hold one-day sales conferences for its agents in Grand Rapids Sept. 26, at Flint Sept. 27 and Detroit Sept. 28. The same program will be presented at the three meetings.

Secretary F. E. O'Brien and Resident Manager H. B. Carr will conduct the meetings, introducing J. R. Barrett, agency supervisor, on "The Value of Accident Insurance That Is Different"; C. J. Beatty, superintendent bond department, on "Are You the Bond Agent in Your Vicinity?"; C. J. Pugsley, Flint special agent, on "Automobile Coverages"; J. W. Cannon, Detroit special agent, on "How to Sell Boiler Insurance" and C. F. Buckley, supervising engineer, on "What Engineers Find." The morning session will close with a demonstration of machinery inspection by C. J. Berglund, machinery engineer.

E. H. Luecke, home office superintendent casualty production division, will open the afternoon session on "Liability and Burglary Opportunities." B. D. Peck, casualty superintendent of the branch, will follow on "Why Insure Elevators?" and will also speak on products and parts coverages. C. J. Lingensfelder, assistant secretary America Fore, Chicago, will speak on "America Fore Group Advantages." M. M. Morgan, Electrograph Co., on "Pho-

tos and Facts;" Perry Hamilton, claims attorney, Detroit, or W. K. Delahunte, claims attorney, Grand Rapids, on "How to Promote Prompt Claim Payments," and T. A. Laforest, Detroit special agent, on "Some Situations Uncovered by Casualty Surveys." A 45-minute period will be provided for questions from the floor.

Hold Myles Standish Hearing

BOSTON — Commissioner Harrington held a public hearing Tuesday on return of premiums paid by subscribers to the Myles Standish Mutual Liability, which secured a charter, had it renewed by special act of the legislature when it expired, and has a second time lost its right to do business by failing to secure a license. The commissioner asked all who paid premiums to the company in anticipation of securing its policies, and did not secure their return, to notify him. The company furnished security

with the state treasurer to guarantee the refund of premiums if it failed to secure a license and the hearing was to make certain all are reached who are entitled to return premiums.

Warns on Unauthorized Cover

PIERRE, S. D.—Commissioner Dunn has issued a statement to truckmen calling attention to the fact that companies in Omaha and Lincoln, Neb., which have not taken out licenses to write insurance have been soliciting truckmen for business.

He calls special attention to the fact that the insured has no recourse through the courts of this state if he suffers a loss. There is also a penalty running as high as \$200 fine and 60 days in jail to anyone who takes out insurance in unauthorized companies, if the party taking out the insurance does not remit 5 percent of the premium to the state insurance department.



ACCIDENT COVERAGE FOR PEOPLE PAST SIXTY

Don't pass up this business!

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their

premium incomes by writing the Over Age Accident Contract available through this organization.

Underwritten by prominent underwriters, it covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

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Headquarters for "OUT-OF-THE-ORDINARY" Contracts

AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1938

CAPITAL	\$ 2,000,000.00
Surplus	4,547,338.93
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	4,574,742.68
All Other Liabilities	2,129,434.74
TOTAL ADMITTED ASSETS	13,751,516.35

NOTE: Securities carried at \$364,875.00 in the above statement are deposited as required by law.

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American Mutual Alliance



THOMAS WATTERS, JR.,
National Board



W. W. GREENE, New York City
Vice-president General Reinsurance



FRANK YETKA, St. Paul
Minnesota Commissioner

See Some Changes in Chicago Pact

Chicago managers and general agents are speculating on just what the Fidelity & Surety Acquisition Cost Conference and the Casualty Acquisition Cost Conference intend to do with regard to controlling the situation in Chicago, as the program has been deferred to Dec. 1, so far as the surety end is concerned, and naturally it is supposed that the casualty will follow suit.

Some of the rules that were adopted in the original draft, as more time has been given to reflection and study, appear to be out of line. For instance, some of the companies object to the one that prohibits any brokerage being paid by the city agents. It seems likely that it will be necessary to grant a certain measure of relief to some companies that have built up a large business, and in order to comply with the rules at present it will mean a tremendous sacrifice.

During the next few weeks a special committee will review the rules and decisions in the light of objections that have been raised by the producing forces and managers and general agents. The conference expects to hold a meeting in due season so that ample notice can be given before Dec. 1 of the conclusions reached.

Home Indemnity Low Bidder

CLEVELAND — Home Indemnity, operating through the Cleveland agencies of Frank B. Blakeslee & Company, E. H. Fishman, Inc., and C. W. Thomas was low bidder for elevator liability insurance this week on 32 elevators of the Cleveland board of education. The insurance was written for three years with \$500 deductible and limits of \$5,000-\$5,000, manual premium for \$5,000-\$10,000 limits being \$3,772.44. The National Bureau of Casualty & Surety Underwriters authorized its members to quote \$3,270.77 with limits of \$5,000-\$10,000 and at first refused to authorize any reduction for \$5,000-\$10,000 limits. At the last minute it receded from this position and authorized a premium of \$2,452.75. The Home Indemnity's bid was \$1,597.60.

Accident Index Far Higher

Lumbermen's Mutual Casualty and American Motorists, which maintain an index of industrial accidents, report that the index rose during August to the highest level in the past five years. The index was 18.2 percent higher than for July, 1939, after allowing for seasonal fluctuation. The index is regarded as a

reflection of increases and decreases in employment.

Michigan Deputy Goes with New Auto Company

L. H. Sanford, for the last 10 years deputy insurance commissioner of Michigan, resigned as of Oct. 1 to go with the new automobile company which has been organized at Detroit by C. M. Verbiest. The new company was incorporated as the Mid-America Insurance Company, but a change in corporate name is being contemplated. Mr. Verbiest for several years was vice-president of the Dearborn National Fire.

Insurance Men on Program

Three insurance men are scheduled to participate in the National Safety Congress at Atlantic City, Oct. 16-20. They are: W. G. Cole, director of safety Metropolitan Life; D. M. McCracken, Liberty Mutual, and L. R. Palmer, conservation engineer Equitable Society.

Mr. Cole will serve as vice-chairman of one of the sessions on street and highway traffic, while Mr. McCracken will function in a similar capacity in the commercial vehicle section. Mr. Palmer will give the report of the National Safety Council special committee on home safety.

Reciprocals and Omnibus Clause

LOS ANGELES — The Casualty & Surety Field Men's Association resumed its activities for the fall and winter. Lasher Gallagher, counsel for the local branch office of one of the prominent insurance groups, discussed the moot omnibus clause on automobile liability policies, insofar as it pertains to reciprocal insurers.

He raises the question as to whether the insurer has the right to place liability on its members for some person or persons who were not members. He drew no conclusions, simply presenting the subject for study.

Gray Heads Dallas Body

At a meeting of the Dallas Claim Men's Association the following officers were elected: President, John R. Gray, Associated Indemnity; first vice-president, T. H. Lewis, Trinity Universal; second vice-president, Homer Sanders, Homer Sanders Insurance Claims Service; secretary-treasurer, W. B. Brown, Maryland Casualty; executive committee, D. Y. Robb, Dallas Power & Light Co., and W. B. Stallings, Texas Electric Railway.

Bay State Legislature Launches Mutual Probe

BOSTON — Two senate and five house members were appointed on a special recess commission of the legislature which will devote the next year and a half to a survey and study of laws relating to mutual insurance companies, with a view to making such changes as may seem advisable to protect the interests of policyholders and creditors of such companies. The commission is authorized to investigate facts regarding the companies incorporated in the past 15 years which have gone into receivership. The investigation is aimed at the many mutual liability companies which have been formed and succumbed in recent years.

The committee is to report by Dec. 1, 1940.

Liability of Accommodation Endorser to the Assured

The Florida supreme court had before it the case of the Liverpool & London & Globe vs. Orrell involving the liability of accommodation endorser to the assured. This suit was against the accommodation endorser by the company on a note executed by the purchaser for the balance of the purchase price of an airplane, plus the premium for insurance. The note and chattel mortgage were transferred to the Commercial Investment Trust, which advanced the balance of the purchase price. For the purpose of protecting the maker and the endorser of the note, the airplane manufacturer and the Commercial Investment Trust, the plane was insured by the L. & L. & G. The policy contained a standard union mortgage clause stating that loss should be payable to the C. I. T. and that proof of loss should be given within four months from date of destruction.

The plane was later wrecked and destroyed but neither the policyholder nor the accommodation endorser gave proof of loss. The accommodation endorser, however, did notify the C. I. T. and it received the amount of the mortgage and note upon its assigning the same over to the company. The company sought to be subrogated to the rights of the C. I. T. on the theory that it was not liable to the insured or the accommodation endorser because of their failure to give notice. The requirements in the standard policy that the insured shall give notice of loss and make proof of loss are conditions precedent to the right to sue but a failure to give notice will not invalidate the policy or work a forfeiture of the rights in the absence of

W. A. Doyle Is Named New Michigan Agents Head

(CONTINUED FROM PAGE 22)

featured speakers. Mr. Emery was formerly a local agent.

The group of past presidents consisted of Clyde B. Smith, Lansing; J. W. Mundus, Ann Arbor; Charles E. Freese, Detroit; Fred L. Winter, Muskegon; Lee A. Dudley, Battle Creek; Phil J. Braun, Flint; Wm. G. McCune, Petoskey; O. A. Jenison, Lansing; George M. Goodell, Lansing, and J. Alfred Grow, Detroit.

At the concluding session Wednesday W. D. Hooker, Jr., Detroit manager Retail Credit Co., was the first speaker with his talk on "Current Inspection Report Problems."

Percy D. Worress, Battle Creek, submitted his report as chairman of the rural agents committee and J. E. Mayfield, Flint, offered his as head of the fire and accident prevention committee.

Another report was that of Lee A. Dudley, Battle Creek, chairman of the agents advisory committee. C. E. L. Burwell, Grand Rapids, conducted a local board conference and spoke on "Education and Agents Income."

Sidney O. Smith, Gainesville, Ga., chairman of the executive committee of the National association, spoke on "The Agent of Tomorrow." His talk was the feature of the Wednesday morning gathering.

Surplus Increased \$25,000

H. V. Gralnek, treasurer Highway Mutual Casualty, Chicago, announces \$25,000 cash increase in surplus. Premium income this year will show 200 percent increase over the corresponding period last year, he said.

a stipulation to that effect, the higher court determined.

When Liability Cover Is Superfluous

The U. S. Fidelity & Guaranty points out the only time that liability insurance is not needed. There was a political club holding a meeting in Baltimore. There was only one vacant seat. Without warning a 12-pound electric light globe fell. It landed on the vacant seat.

POINTERS FOR LOCAL AGENTS

"True or False" Test was Feature at N. J. Convention

At the meeting of the New Jersey Association of Underwriters at Asbury Park, a "true or false" questionnaire on current developments in fire and casualty lines was distributed. It was announced that the proper answers would appear in the association's bulletin the following month. Rating was given as one point credit for a correct answer, two points taken off for an incorrect answer and neither credit nor penalty for an unanswered question. The questions are as follows:

1. New Jersey uses the old New York standard fire insurance policy.
2. The burning or warping of the bars of a grate in a furnace, though produced by the action of a fire, is not covered by the fire insurance policy.
3. Under a gross earnings Use & Occupancy form, the cost of heat, light and power and ordinary payroll are not deductible.
4. Under the provisions of the extended coverage endorsement the insured is not protected against loss or damage by smoke from stoves, fireplaces or any industrial apparatus.
5. The following items are covered under a personal effects floater: False teeth, artificial limbs, cameras, musical instruments, jewelry, bicycles, currency and letters of credit.
6. The camera form (inland marine) insures cameras, projection machines and dark room equipment usually located in the insured's domicile.
7. A garage keeper's legal liability policy covers legal liability for direct loss or damage to customers' cars but not legal expense incurred in defending the insured against suit brought as a result of such damage.
8. Breakage of glass occurring in a collision is included under the comprehensive coverage regardless of the fact that the insured does not carry collision insurance.
9. The Compensation Rating & Inspection Bureau makes, files, and administers workmen's compensation rates in New Jersey.

10. The automobile bodily injury and property damage policy on a private passenger car used for business and pleasure purposes may be extended without charge for drive other private passenger cars coverage regardless of whether the insured and owner is an individual or a corporation.

11. Mr. A. purchases a residence liability policy with \$10/10,000 limits. He is planning to remodel his garage and hires a contractor for the job. If a neighbor's child is injured as a result of the construction work, the insured would be protected by the policy.

12. There is a frontage charge for O.L.T. liability policies for all classifications.

13. The automobile P.L. and P.D. liability coverage protects an insured while traveling in Mexico.

14. If a named insured replaces his automobile with another car the policy will automatically apply to the new car for 10 days.

15. The National Board of Fire Underwriters is an educational, engineering, statistical and public service organization of the capital stock fire insurance companies.

16. A \$5,000 blanket position bond affords a maximum of \$5,000 protection should one or more employees prove to be dishonest.

17. Farm buildings within 100 feet of a building containing in excess of five bales of hay take the rate of such exposing building.

18. Livestock must be insured under a specific item and the policy form must set a limit of value per head on each kind.

19. If a workmen's compensation policy includes two or more classifications, the loss and expense constant shall be the lowest loss and expense constant applying to any classification appearing on the policy.

20. Inservants and outservants employed on farms take different rates per capita, but have the same loss and expense constant charge.

Can Increase Agency Income by Time Saving Methods

Some searching questions on agency efficiency are asked by N. B. McCulloch, manager production department home office, Globe Indemnity, which should prove helpful to local agents in analyzing their office operations. He inquires:

"If you have solicitors employed in your agency, do you hold regular meetings with them to be sure they are well posted on all the latest developments?"

"Do you read your company bulletins, letters of instruction, sales suggestions, new policy forms, or do you throw up your hands in horror and say, 'If I read all the stuff that comes across my desk each day, I wouldn't have time for anything but reading?' If you are one of the latter class, has it ever occurred to you how much time you may be spending, looking up information or indulging in endless correspondence to obtain answers to customers questions? Perhaps the answers were contained in one of those pieces of literature you threw in the waste paper basket two weeks before.

"What of your credit and collection policies? What, if any, reserve for bad debts do you set on your books?"

"Are you or your solicitors playing Dr. Jekyll and Mr. Hyde—selling policies with inferences of unlimited credit (the 'pay when you can' plan)—and 30 or 60 days later, sheepishly trying to act the part of the hard-boiled collector?"

"At what point should you mechanize your bookkeeping system?"

"Has it ever occurred to you, that an operation which costs you \$10 per month more than necessary, or to put it another way, the savings of someone's time which could be used to earn \$10 for your agency, is the equivalent of the profit on \$1,500 of premiums per annum? And you would all work hard and long for a \$1,500 line, wouldn't you?"

"Now let us go back to some of the above questions, and see if in your agency there might be an opportunity to initiate economies and facilitate better planned production.

"In many offices, perhaps in yours,

John Doe will telephone to ask some question about his residence contents fire insurance. Do you call for your file clerk, or in a small agency, go to the files yourself, searching a line card file for an expiration date, thence to a cumbersome daily life, and finally, after five minutes or more waiting time, return to the phone to give Mr. Doe his answer? Maybe Mr. Doe then asks a second question, if he hasn't hung up, this time about his burglary insurance or automobile coverage, and the process starts again.

"How much better it would be, to have all of Mr. Doe's dailies in one file, which, if you have a file clerk, would be placed on your desk as soon as Mr. Doe calls, having been identified before the call is put through to your phone. Immediately you can answer any question Mr. Doe might ask about his coverages, taking time to also ask about other forms not carried. You can easily "spot" sales opportunities by glancing over the line record on the outside of his individual folder.

Familiar With Needs?

"Of course, it must be assumed that you are familiar with all the lines Mr. Doe carries or should carry. Perhaps your office has sent a letter to him among other customers or prospects, and his call is in reply to your communication. You have read the company bulletins, manual page changes, and otherwise kept yourself up to date on the subject or subjects.

"Or, if your office is large enough to have been departmentized, you ask Mr. Doe's indulgence while you transfer his call to Mr. Jones, your department manager, on a well planned interoffice telephone system, sending the file to Mr. Jones at once.

"On the basis of actual time studies, it has been indicated that approximately 40 percent of office time, can be saved by employing such short cuts.

"Your office employees, in the time you have saved them, now have time to keep mailing and solicitation lists up to date. Direct by mail advertising, incorporating company supplied stuffers or letter forms, can be sent to selected lists of prospects.

"In your saved time, you or your solicitors have that long sought for chance to 'get out' following up such mailings to old customers and new prospects. You have time to arrange definite schedules with the field representatives of your companies, to do some effective work, inside or outside your office. No longer, on surprise visits, do you tell them, 'I don't know of a thing to be done now,' or 'Jim, I've been so busy keeping up with all the detail in connection with our present business I can't take time for new solicitation.'

"You also have time to analyze your bookkeeping and billing systems. Depending on the number of accounts, average size of account, number of companies represented, and numerous other factors, you possibly will find that mechanizing these operations will provide further short cuts to better control of credits and collections. If you get a clearer picture of your accounts, particularly if you must play the dual role of salesman and collector, it won't be long before you will be coding your prospects or customers for definite credit and paying time limits, and selling them accordingly."

OL&T Coverage

Question is asked one of the companies as to whether a drug store which carries owners, landlords and tenants insurance is liable under its coverage if

Business Interruption Form Explained

W. A. Gibson, Jr., Michigan state agent North British group, spoke on the new gross earnings business interruption form before the Detroit Insurance Women's League.

"Business interruption insurance is a new designation for use and occupancy with some additional features added," he said. "Every successful business must be operated for profit. Some don't make any but just cover overhead. To have an insurable interest, the overhead must be made. Fire insurance indemnifies for physical loss caused by fire. Business interruption pays for loss directly resulting from destruction or damage by fire. The new form cannot be written on manufacturing or service risks such as theaters and hotels. It is applicable only to mercantile establishments engaged in public sale of merchandise and the measure of recovery shall be only for such time as is required to rebuild, repair or replace the building occupied for that purpose. It is further provided that the assured shall do everything in his power to get back into business soon as possible and he cannot collect more than the actual loss sustained by interruption of the business. The designated time limit of 30 days for restocking may be extended for a small additional premium. The policy does not include customer loss.

"The contribution clause is really co-insurance with 50, 60, 70 or 80 percent limits and extended coverage may be attached. Interruption by civil authority through prohibiting access to the building for not exceeding two weeks is included, even though there be no damage to the assured's premises. Loss of business from destruction of property by civil authority is also covered. Expenses incurred in reducing the loss but within the policy amount are covered; also shutdown caused by lightning.

"Exclusions which should always be explained to the assured include enforcement by ordinance or law requiring new construction or repairs; suspension, lapse or cancellation of lease, license, contract or order and loss due to interference by strikers or others in the work of rebuilding, repairing the property damaged or destroyed or in preventing resumption or continuation of business.

"If the insurance is to cover wind-storm, the insurer is not liable for business interruption caused by damage to or destruction of metal smokestacks nor for damage due to the operation of electrical appliances or devices whether from artificial or natural causes unless fire ensues and then only for business interruption caused by the fire."

an accident occurred on the sidewalk outside the premises due to loading a three wheel motorcycle used for delivery packages. The motorcycle insurance was carried in another company. The answer is that an OL&T policy will cover an accident caused by loading the motorcycle if it occurs on the sidewalk or anywhere immediately adjacent to the premises. Inasmuch as there is a separate policy on the motorcycle the two companies would prorate any loss.

Pick Is Halifax Counsellor

Joseph Pick, former general manager at Prague for the Moldavia Generale, who has held many important posts on world-wide marine insurance commitments, has been engaged by the Halifax as advisory counsellor on foreign marine insurance.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

List Speakers at Wisconsin Meeting

WAUSAU, WIS.—Plans are rapidly being completed for the annual meeting of the Wisconsin Association of Insurance Agents to be held here Oct. 19-20. C. L. Manson is chairman of the local arrangements committee. The program committee consists of W. B. Calhoun, Ralph Martin and John G. Seidel, all of Milwaukee.

Speakers at the first session will include W. C. Thornton, Fond du Lac, state president; Mayor August Polster, J. L. Oppermann, president Wausau Insurance Board and member of the state executive committee; Grover Miller, Racine, chairman executive committee; W. B. Calhoun, Milwaukee, national councillor; E. M. Allen, executive vice-president National Surety; E. D. Lawson, western manager Fireman's Fund, Chicago. The annual dinner and entertainment will be held the first evening.

Local Board Breakfast

The second day will open with a local board breakfast of which Walter Schar, Madison, will be chairman. Speakers at the second general session will include Henry Busack, Milwaukee, state agent Norwich Union and president Wisconsin Fire Underwriters Association, and C. P. Hall, state agent Standard of N. J., president Wisconsin Insurance Club. H. A. Bird, Beaver Dam, will preside at a rural agents' conference. Other speakers will include T. A. Linton, Retail Credit Co., and F. P. Malone, Marshall & Ilsley Bank, Milwaukee. The business session will follow, including consideration of resolutions and election of officers.

Morrison & Kountze in General Agency

A new general insurance agency at Omaha, comprised of two well-known insurance men, John K. Morrison and Denman Kountze, has been organized, and is starting business under the firm name of Morrison & Kountze. Mr. Morrison has been in the insurance business for the past many years, with headquarters in Omaha, operating through the western territory under the name of Morrison & Co. Denman Kountze is former president, secretary, treasurer and director of the National Security, still retaining the latter title, and is well known in national and local insurance circles.

Associated with Morrison & Kountze are N. M. Kemmler, M. W. Besack and E. H. Dahlgard, who will be assisted by E. F. Anderson and Earl Wood, as field representatives.

The official setup of the general agency is: John K. Morrison, president and treasurer; Denman Kountze, vice-president and secretary; M. W. Besack, N. M. Kemmler and E. H. Dahlgard, assistant secretaries.

Offices will be maintained in the Brandeis Theater building, Omaha. They will operate as general agents and underwriting managers in Nebraska, Iowa, Kansas and South Dakota, for the following companies: Alliance of Philadelphia, Anchor of Providence, Columbia of New York, Federal Union of New York, Globe & Rutgers Fire, Imperial of New York, North River, Phoenix Assurance and Providence Washington.

Mr. Kountze served as vice-president and secretary of the National Security

until after the death of President F. B. Johnson, when he was elected to that office.

Rodger with T. W. Garrett

J. W. Rodger, Jr., has joined the T. W. Garrett, Jr., general agency of Kansas City as manager of the St. Louis office. He is a son of the executive secretary of the Missouri Association of Insurance Agents and was formerly connected with St. Louis Fire & Marine.

Joliet Agents Meet Sept. 27

JOLIET, ILL.—The Joliet Insurance Agents Association will hold its monthly meeting Sept. 27. Merle A. Read of the Read-Adler Agency, recently elected president, will preside. Other officers for the coming year are M. H. Hollingsworth, Shreeve Realty Company, vice-president; Glenn T. Hensel, treasurer; and E. H. Klafter, secretary. Raymond Lennon, Charles McCay and Lloyd Jones are on the executive board.

The association plans to extend its membership and it has started to service municipal park board and school board risks with all members participating.

Fight Constitutional Amendment

COLUMBUS, O.—The Insurance Federation of Ohio, Ohio Association of Life Underwriters and Ohio Association of Insurance Agents are among the 40 organizations which have enrolled in a fight to defeat the proposed Bigelow constitutional amendments, which would provide \$50 to \$80 a month old-age pensions for all over 60, and would also lower the standards for submission of constitutional amendments and to initiate legislation.

Insurance Classes in Minneapolis

MINNEAPOLIS — Night classes in insurance at the University of Minnesota will open Oct. 2 and 3 for the first semester. P. H. Ware, manager Minne-

apolis Underwriters Association, will conduct a course in general insurance and L. L. Law, state agent London Assurance, will have charge of a concurrent course in fire and marine insurance. These courses will run 17 weeks with a tuition fee of \$10.

In the second semester R. B. Clark, St. Paul-Mercury Indemnity, will conduct an advanced course in suretyship and L. C. McGee, Aetna Casualty, will direct an advanced casualty course.

Hannaford St. Paul President

ST. PAUL — J. M. Hannaford, Jr., was elected president of the Insurance Exchange of St. Paul at the annual meeting, with R. A. Burns as vice-president and H. S. Matteson, reelected secretary-treasurer. New members of the executive committee are A. W. Harris, John Garvik and Henry Martin. The executive committee was authorized to name two delegates to the National association meeting in Boston.

Renominate Milwaukee Officers

MILWAUKEE—Nominated for reelection by the Milwaukee Board at its annual meeting in October are Val Gottschalk, president; Ralph Martin, vice-president, and William Lynch, treasurer. Director nominations, three to be elected, are Monroe Porth, Theodore Johnson, William Calhoun and John Qualmann. The position of secretary is filled by the directors.

Honored by Michigan Realtors

Hugo J. Hesse, president of the Piper-Hesse Co., Detroit agency, was elected president of the Michigan Real Estate Association at the annual meeting in Lansing. I. R. Blandford, Grand Rapids agent, was elected first vice-president.

Thompson Minneapolis President

MINNEAPOLIS — Directors of the Minneapolis Underwriters Association have elected these officers: President, R. A. Thompson of Wirt Wilson & Co.; vice-president, George Nelson, Wood-

Nelson Co.; secretary-treasurer, George Thompson, Lewis-Thompson agency. P. H. Ware continues as manager. The newly-elected directors are P. M. David, W. C. Dahl, L. E. Hatlestad and W. W. Vocht.

Ohio Eighth District Rally

The eighth district of the Ohio Association of Insurance Agents will hold a meeting at the Fair Lawn Country Club, Akron, Sept. 21, with golf in the afternoon and a dinner followed by a business meeting at which a nomination for trustee will be made to succeed E. F. Benson of Akron. E. S. Connor, recreational director Goodyear Tire & Rubber Co., Akron, will speak.

NEWS BRIEFS

The Board of Independent Fire Underwriters of Cuyahoga county at Cleveland will hold its first fall meeting, Sept. 21. The trustees elected at the annual meeting meet Sept. 22 to choose the new officers.

John Henderson of the J. F. Henderson Insurance Agency, Whitewater, Wis., and his two sons, Roy and Neil, were honored at a dinner by company representatives of the American of New Jersey, in recognition of 30 years of service. The senior Henderson wrote his first policy in the company 45 years ago.

The Racine County Association of Insurance Underwriters and the Racine Insurance Board held a joint meeting in Racine, Wis., with R. F. Cooney, Burlington, and Grover Miller, Racine, as chairmen. The program was devoted to discussions of public and industrial safety. Arrangements were discussed for observance of National Fire Prevention Week in October.

The Mt. Pleasant (Mich.) Association of Insurance Agents has erected a 60-foot highway signboard near the city, cooperating with state and county officials in a highway safety campaign.

The St. Paul Association of Insurance Women will open its fall activities with a dinner meeting Oct. 10.

E. C. Huhnke of Duluth has been added to the executive committee of the Minnesota Association of Insurance Agents. The nominating committee left a vacancy and this was filled on the motion of the executive committee by Mr. Huhnke. He still qualifies as immediate past president of the association.

A joint meeting of the 1752 Club, organization of mutual field men, and the Michigan Association of Mutual Insurance Agents was held at Duck Lake near Albion.

John J. O'Toole, president of the Insurance Board of St. Louis, has appointed a special committee to work up interest in a large delegation at the meeting of the Missouri Association of Insurance Agents at Excelsior Springs, Oct. 23-24.

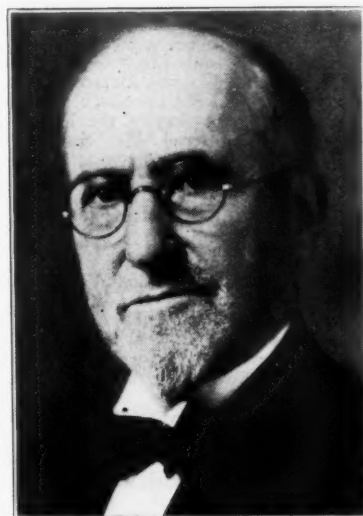
E. J. Bachman, formerly in the insurance department of the First State Bank of St. Paul, has been appointed manager of the insurance department of the Stock Yards National Bank of South St. Paul. He succeeds T. A. Valine, who has become special agent of the Phoenix of Hartford.

L. G. Doerrler has opened an agency in the Farmers Bank building, Ashland, O.

Hold Maryland Regional Meet

The fall regional meeting of the Maryland Association of Insurance Agents is being held at Chestertown, Sept. 22. President J. E. Cochran of Hagerstown will preside.

It is expected there will be an attendance of at least 50 from Elkton, Easton and other points on the eastern shore.



R. M. THOMPSON

R. M. Thompson of Minneapolis, who resigned as executive secretary of the Minnesota Association of Insurance Agents after faithful service of seven years, received high plaudits at the recent state convention. He has been a hard worker, conscientious in every way. The office of secretary was abolished



P. H. WARE

and the executive committee will elect the executive secretary and treasurer. P. H. Ware of Minneapolis served as secretary and treasurer but his office is now abolished. He, too, rendered yeoman service to the organization and will continue to do so. The Minnesota association is one of the leaders.

IN THE SOUTHERN STATES

Seeks Va. Countersignature Law in Tennessee

NASHVILLE, TENN.—John D. Saint, manager Tennessee Association of Insurance Agents, is urging the support of every local exchange for a counterpart of the Virginia countersignature law. A special session of the Tennessee legislature this fall is a probability and Mr. Saint is endeavoring to advance the matter to the point that it can be approved by the association and a bill made ready to introduce at the first opportunity.

To Give 90 Day Notice

BATON ROUGE, LA.—The state board of education has adopted a new plan of placing insurance. Hereafter 90 days notice will be given to all agencies in the state and the business awarded to the lowest bidder. Where new buildings are turned over to the board on short notice and have to be protected temporarily, and the companies writing such

contracts are not willing to have the binders extend for as long a period as 90 days, the period of notice for bids shall be correspondingly shortened.

The annual premium on the business placed by the board is \$58,525, 85 percent of which has been placed through Parkerson, Mills & Hart, LaFayette.

Cotton Gin Losses in Texas

Cotton gin fires have been increasing in Texas for the past fortnight. A half dozen plants have gone up in smoke in that time with losses totaling \$120,000. A score of gins have burned the past six weeks with an approximate loss of \$350,000.

Knoxville Exchange Elects

KNOXVILLE, TENN.—New officers elected by the Knoxville Insurance Exchange are: E. C. Fowler, Fowler Insurance Agency, president; Charles Morgan, Morgan & Hurley, vice-president; J. R. Weaver, Hickman, Johnson & Simmons, treasurer, and M. F. Nick-

erson, Henry D. McMillan Co., secretary. Directors are E. R. Keller, chairman; Ed Sample, W. E. Roehl, Charles King and Russell Briscoe (retiring president).

Direct Rural Agents Group

NASHVILLE, TENN.—J. G. Pettigrew, president, has appointed J. R. King, Clarksville, chairman of the rural agents division of the Tennessee Association of Insurance Agents. The agents' committee will cooperate with a committee from the Tennessee Field Club, of which Glenn Glover, Home, is chairman, in arranging a rural agents program on the first day of the association's annual convention, Oct. 18.

Essay Contest in Atlanta

Inauguration of a fire prevention essay contest in the senior and junior high schools of Atlanta and Fulton county was voted by the executive committee of the Atlanta Association of Insurance Agents at its monthly meeting, September 13. The committee named Irwin Wootton, past president and secretary, and Vice-president Henry Morgan as delegates to the Boston convention of the National association. It was voted to hold the regular outing at the Capital City Country Club, Oct. 27.

Dallas Membership at High Mark

DALLAS—The membership roster of the Dallas Insurance Agents Association, which is holding its annual meeting this week, now includes almost 100 firm members, representing more than 400 local fire and casualty agents and solicitors.

The retiring officers are Paul Kirkpatrick, president; Fred Mallinson and C. R. Tucker, vice-presidents, and Dallas Addison, secretary-treasurer. Alfonso Johnson has been manager since 1930.

Nashville Exchange Elects

NASHVILLE, TENN.—The Nashville Insurance Exchange at its annual meeting reelected A. G. Bennett of Bennett & Corley president and Dorian E. Clark vice-president. J. R. Handley, who succeeded W. W. Lyon some months ago, was reelected secretary-treasurer. The executive committee is composed of Mr. Handley, R. D. Hall, Mark Bradford, Mr. Clark, B. C. Gross, Mr. Bennett and H. H. Corson.

Sweeney Case Heard

Assistant Insurance Commissioner Rooks of Kentucky, who has been hearing the complaint regarding W. T. Sweeney of Louisville, accused of violating the state insurance law, has asked attorneys to prepare and file briefs with him. He examined seven witnesses, C. P. Watson of the Louisville Bridge & Iron Co. being on the stand for some time. Mr. Sweeney did not introduce a single witness. Judge Ardery of the Franklin circuit court ordered Mr. Sweeney's license restored until he was proved guilty.

McCormack Pushes Fire Prevention

NASHVILLE, TENN.—At a meeting of the Chamber of Commerce fire prevention committee, of which W. Dudley Gale of Gale, Smith & Co. is chairman, Commissioner McCormack outlined plans to enlist municipal officers and civic groups of every town and city in the state in Fire Prevention Week activities.

NEWS BRIEFS

The Insurance Women's Club of Oklahoma City opened its season with a luncheon meeting.

The Mobile, Ala., county school commission has under consideration a proposal to award 10 percent of its insurance business to W. K. P. Wilson & Son, whose survey of the school system has brought a \$1,327 annual reduction in premiums on school building insurance.

Fire swept through the R. C. Owen & Co. lumber yards just outside Hop-

kinsville, Ky., causing damage estimated at \$100,000 or more by A. P. Nuckols, who handles the insurance on the plant.

The Lubbock (Tex.) Insurance Exchange staged its annual field day for 80 company representatives. Thord Dockray, president of the Lubbock local board, welcomed the visitors. C. C. Jones was chairman of arrangements.

The Insurance Women's Club of Dallas opened its 15th year Tuesday, with a dinner and round table session. Dorris Apple is president.

The Johnson City (Tenn.) Insurance Exchange has reelected these officers: W. M. Harris, president; Mrs. Rebecca A. Rogers, vice-president; George Oldham, secretary-treasurer.

COAST

Fight "\$30 Every Thursday" Proposal

LOS ANGELES—Insurance went to the bat against the "\$30 every Thursday" constitutional amendment to be voted on Nov. 7. Leading life, fire, casualty, automobile and marine men met at the Insurance Exchange and formed a permanent committee to aid in defeating the proposed plan.

J. L. Van Norman of Van Norman & Morrison was chosen chairman, with Willard Keith, president Insurance Society of Southern California, and G. H. Page, president Life Insurance Managers Association, as vice-chairmen. Chairman Van Norman was authorized to name his own executive committee.

President Harold McGee of the Insurance Exchange of Los Angeles presided. Frank Agnew explained the San Francisco organization formed for the same purpose and told what steps are being taken in that city.

Asa V. Call, vice-president Pacific Mutual Life, gave a graphic and concise picture of the evils that would follow should the measure become a part of the fundamental law of the state.

The measure provides for a 3 percent additional tax on gross turnover. While insurance companies now pay 2.6 percent tax to the state, under the proposed plan they would pay 5.6 percent. Mr. Call said the increased taxation would add a burden of more than \$1,000,000 additional on his company and that this would be increased further because of the retaliatory laws of many states.

The committee of which Mr. Van Norman is head will have charge of the fight

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in the 10 southern California counties, and it is planned to have all field men devote considerable time to impressing on agents and brokers the necessity of combating the measure.

ACTIVE IN SAN FRANCISCO

SAN FRANCISCO — If the "\$30 every Thursday" scheme is adopted at the Nov. 7 general election it will not be because of lack of opposition on the part of the insurance fraternity. This week more than 50,000 agents, brokers, solicitors, company executives and employees of all these offices started an intensive campaign against the measure.

The San Francisco Life Underwriters Association brought more than 1,500 agents and company employees to a general mass meeting where A. S. Holman, Travelers, chairman of the legislative committee; H. K. Cassidy, Pacific Mutual Life, president, and other authorities stimulated the group to intensive activity.

It is pointed out that under the plan insurance agents and brokers would also face an added financial burden, as the gross income tax provision would require them to pay a 3 percent tax on their gross income over the exemption of \$3,000, in addition to all other taxes now paid.

Enforce 60-Day Collection Rule in California

LOS ANGELES—Richard Anderson and Thorwall Nelson have been named special investigators of the southern California office of the insurance department. Mr. Anderson was formerly with the A. Brooks Randall & Sons agency in Hollywood, and Mr. Nelson was with the John Hancock Mutual Life and the Metropolitan Life.

R. L. Patterson, who is in charge of the instruction and training of the investigators, held a conference with representatives of the state association of insurance agents and the local agents

association relative to the investigation plans of the department. It was brought out that the section of the code requiring agents to charge policyholders interest on balances of more than 60 days would be one of the sections that would receive special attention, and agents would be required to make this charge. It was announced at the conference the reasonable rate of interest to be charged, as provided in the code section had been set at 5 percent by an opinion from Attorney-general Warren. Attention will be given persons signing policies to see that they have the proper power to do so.

In explaining his action to enforce the anti-rebate law by insisting on interest collections over 60 days due, Commissioner Caminetti said the purpose of the law is to protect the persons who do pay their insurance premiums promptly from absorbing the cost of insurance sold to persons who do not pay promptly.

Denver Women Hear Stebbins

DENVER—An address was given by Herman Cobb Stebbins of Cobb & Stebbins on "The American Way" before the Insurance Women of Denver. He pictured the opportunities of the independent business man in America and described the merits of the American agency system, concluding with a presentation of an American flag.

Ask for Commission Increase

COLORADO SPRINGS—At a meeting of the Colorado Springs Association of Insurance Agents, the secretary was instructed to draw up a resolution pointing out that the companies have made enough profit in Colorado to justify the recent rate reduction and stating that in view of that change the agents feel they are entitled to a larger commission. The favorable loss ratio in Colorado is to be contrasted with that of adjoining states and the companies asked to con-

sider the request for a commission increase as a matter of equalizing conditions.

New Colorado Appointees

DENVER — Governor Carr has appointed L. W. Messenger, once actuary for Bankers Life, as actuary of the Colorado insurance department. The governor also appointed two new examiners, W. C. Blair and Walker Edwards. Mr. Blair was a deputy in the insurance department 30 years ago. Mr. Edwards is a son of J. Stanley Edwards, Denver general agent Aetna Life.

Women to Give Golf Cup

PORTLAND, ORE. — The Insurance Women's Association of Portland, as an expression of appreciation for the fine spirit of cooperation between its members and the Oregon Insurance Agents Association, has requested the privilege of furnishing a silver cup to be presented to the winner of low net score in the golf tournament of the agents association convention.

NEWS BRIEFS

The San Francisco Blue Goose and hundreds of other members of insurance men of the San Francisco Bay area joined with the International Association of Fire Chiefs in dedicating the "Jay W. Stevens Disaster Unit" recently presented to Portland, Ore., by Aaron Frank of that city.

"Youth and Employment" was discussed before the San Francisco Insurance Women's League by Mrs. Mary P. Carmody, manager of the junior division of the California state employment bureau.

EAST

Stults Discusses Projected Course

BASIN HARBOR, VT. — A full report on the project to establish a college for property insurance and casualty underwriters will be delivered at the Boston convention of the National Association of Insurance Agents by the publicity and education committee, C. Stanley Stults, Hightstown, N. J., member national executive committee, told the Vermont Association of Insurance Agents at the annual meeting here on the shore of Lake Champlain.

An intensive study of this subject has been made for several months by the committee, Mr. Stults said. Leaders in the National association have been encouraged to explore the possibilities of such a possibility by the success of the Chartered Life Underwriters movement in the life insurance field.

Notes Two Accomplishments

He commented on two outstanding developments in the National association, one being the spread of educational work through two, three and four day educational forums in a number of states, with outstanding lecturers on definite subjects and through university courses in insurance, with experienced instructors, text books, study and examination. The first method was originated by Florida and the second is outstandingly successful in New Jersey. There the course is under auspices of the University of Newark and degrees are given by the New Jersey Association of Underwriters.

Another development, he said, is that rural agents are coming into their own in the National association. In the past many of them were inarticulate and did not take the part they should in association work. Some may have felt they were not receiving the help and recognition that they deserved. Mr. Stults said, however, agents deserve exactly what they put into their trade organiza-

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tions. Throughout the country many more rural agents are taking part. Direct results have been the victory in keeping the Commodity Credit Corporation out of the insurance business through defeating the corn fund plan, and also in making a start in bringing cost of automobile insurance which agents can sell to their clients somewhat nearer the premiums of direct writers, which have caused considerable premium loss to rural agents.

Harold P. Janisch, general manager of the Associated Insurance Agents & Brokers, speaking before the Vermont agents, outlined the danger to the agency system and particularly to the local agency mutual of the inroads being made by the direct-writing insurance companies.

He stated that the local agency mutual had far more to fear from the inroads of the direct-writing mutuals than did the stock companies. He illustrated that the policyholder who had

purchased mutual insurance in the agency mutual through a local agent created less sales resistance to the direct writers when they came in to sell mutual insurance directly than did the policyholder in a stock company. He stated that the agency mutual, therefore, should be more careful to protect the agent and broker, to resist the inroads of the direct writers—that because of the very character of their business they should cease giving aid and assistance, either directly or indirectly, to the direct writer, whether by reinsurance, by membership in various pools, or in various insurance organizations.

He stated that the local agency mutual should cease giving aid, directly or indirectly to the development of the co-operative movement because it was being used as a tool for the socialization of all industry and the economic and political life of the country.

Mr. Janisch went on to explain that there were two kinds of direct-writing

companies—one that went into the territory to develop the business as a direct writer from the very beginning, and the other companies which were in the great majority, which attempt to build up a volume of business through agents and then in a few years turn around and raid this business by paying higher dividends if the policyholder dealt directly with the company and eliminated the agent.

He said that if there was any preference, it was for the company that was strictly direct-writing all the way through—that the other type of carrier betrayed the agents who developed their business.

Mr. Janisch contended that companies which have management-owned agencies or company-owned agencies are actually direct-writers, and that the organization with which he is now associated intends to point out to agents the names of such so-called agencies which are in reality merely indirect methods of undermining the agency and brokerage system in this country.

clair, and F. W. Westervelt, Newark. H. B. Morton, who is with a large brokerage firm in New York City, will talk on "How the Local Agent Can Profit by Improved Public Relations."

Massachusetts Agents' Plans

BOSTON — The annual meeting of the Massachusetts Association of Insurance Agents in Boston Oct. 3 will have a curtailed program confined to one afternoon session, in view of the sessions of the National Association of Insurance Agents here at the same time. President H. R. Preston of Springfield announces that Commissioner Harrington will speak on "Licensing of Qualified Agents and Brokers" at a joint luncheon meeting of the Massachusetts agents and the Boston Board. A representative of the National association will be heard at the afternoon session.

Tucker, Janisch at Lynn

LYNN, MASS. — At a meeting of the Lynn Board of Underwriters the past week Executive Secretary Lee H. Tucker of the Massachusetts Association of Insurance Agents explained the educational and entertainment features of the National association convention in Boston in October and Manager Harold P. Janisch of the Associated Agents & Brokers explained its proposed program. He said the organization expects to launch a membership campaign soon.

Resume Activities in Rochester

The first big fall meeting of the Underwriters Board of Rochester, N. Y., is being held Sept. 28. Discussion will be conducted on plans for the eight weeks fire insurance class to begin about Oct. 6. Plans will be announced for the schedule of Friday noon round table educational meetings for this fall. A 30-minute program of colored moving pictures will be shown by Roy A. Duffus. The pictures were taken by Mr. Duffus with a camera that was presented to him by the board last January.

Divide Rochester, N. H., School Line

ROCHESTER, N. H. — Insurance totaling \$115,000 on the new Spaulding high school in Rochester will be divided equally among seven local agents. The agents will also share equally in any increased coverage on the building. The agencies benefiting are C. W. Varney & Son, Mrs. John K. Allen, H. D. Smith, F. E. Kendall Agency, R. E. Came, F. E. Small and V. W. Preston.

Final Pittsburgh Golf Tourney

PITTSBURGH—The final golf tournament to be staged this season by the Insurance Club of Pittsburgh will be held Sept. 25 at the Shannopin Country Club, with a dinner and entertainment in the evening.

The noon luncheon table which the Insurance Club maintains in the Keystone hotel for the convenience of members and those interested in insurance problems was reopened Sept. 18.

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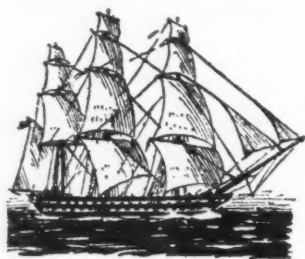
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1939

CANADIAN

Fire Marshal Urges Sabotage Prevention

Fire Marshal Scott of Ontario has sent out a bulletin to all fire chiefs in the province, calling their attention to the necessity of preventing sabotage. The present international situation demands increased vigilance on part of the fire fighting forces says the fire marshal. The precautions that are necessary, in his opinion, will vary according to the circumstances in the various municipalities. Attention should be paid, he adds, to factories and warehouses used for or suitable for the manufacture or storage of war materials including munitions, guns, airplanes, army clothing, food stuffs, etc. In some instances, he con-

tinues, it may be advisable to have emergency water supplies in tanks or cisterns and also supplementary portable pumping units.

Keeps Enlisted Men on Rolls

TORONTO—The Insurance Institute of Toronto will resume activities next month. J. S. P. Armstrong, agency superintendent Dominion of Canada General, has resigned as vice-president of the institute in view of the fact that he has enlisted for overseas service. The resignation was not accepted. A resolution has been adopted that any members of the institute who enlist would automatically be regarded as paid-up members until their return.

Council members who are company managers have volunteered to pay the fees of any of their student members who might enlist.

Midgley Succeeds Wilburn

Ernest Wilburn of Toronto, for ten years inspector for the General Casualty of Paris, has retired. He started with the General Accident in 1921. Fred Midgley, who has been associated with Mr. Wilburn, will take over his work and will be in full charge of the northern and western Ontario. Mr. Midgley started in 1918 with the London Guarantee, becoming an inspector in 1920.

Burglary Insurance Rates Up

TORONTO — Burglary insurance rates in Toronto have been increased

from \$6.50 to \$10 per \$1,000 of insurance on account of the heavy losses sustained by all companies. Up to five or six years ago, Toronto experience was unusually good but since that time it has gone sour.

New Lloyds Agency

J. A. Rolland of Toronto has been authorized by London Lloyds to issue certificates for nearly all classes of insurance and grant immediate coverage. He started in insurance in 1920 with the Royal Exchange. In 1937 he joined the Great American, which he left recently to go into business for himself.

Hail Insurance Results Favorable

TORONTO—Hail insurance policies in effect in Canada terminated Sept. 15. Reports are that experience was more favorable in the past season than in 1938. Premium income apparently showed a substantial gain for 1939, with losses somewhat lower. In 1938 net premiums written were \$1,444,039 and the loss ratio 76.1 percent.

Two U. S. Companies Quit Canada

MONTREAL—J. R. Lachence, chief agent in Canada of the Rhode Island, announces that the company has reinsured its liabilities in Canada in the Royal. P. J. Perrin, chief agent of the Sussex Fire, announces that its liabilities in Canada have been reinsured in the American Equitable.

MARINE INSURANCE NEWS

Cover Ships' Crews for War Risk

NEW YORK — Marine Office of America is offering war risk insurance up to \$5,000 for officers and members of crews of ships under the American flag. The maritime commission has approved this cover.

It is understood that this coverage is in the nature of group accident insurance, purchased by ship owners and operators for the benefit of seamen. Some type of protection or extra compensation has been demanded by the maritime unions for crews going into the war zone and several sailings have been delayed while these matters have been argued. Seamen are not under compensation, the federal workmen's compensation act applying only to longshoremen and harbor workers.

Coverage and rates were later announced by Marine Office of America as the same as those used by the United States government war risk insurance bureau during the last war. Marine Office made public an exchange of telegrams between S. D. McComb, its manager, and Admiral E. S. Land, chairman maritime commission, in which the admiral stated he was not in a position to give active support but was highly gratified and in complete approval of the plan. In stories on the negotiations with maritime unions, some papers had quoted Admiral Land as saying that this insurance was not obtainable through private companies.

During the last war, the government limit on this insurance was \$3,000 for officers and \$1,500 for seamen. Marine Office of America is offering \$5,000 to both officers and crew members.

Hull Business Still Slack

Marine underwriters continue to watch closely day by day developments in the European war situation, trying to adjust cargo and hull rates to the increasingly grave conditions. While the demand for cargo coverage is active, relatively little hull business is called for, steamship owners being unwilling to pay the high rates now demanded for the indemnity, unless all competitors agree to secure like protection. Vessels carrying hull insurance would be at a disadvantage

with competitors lacking such indemnity, in the quest of cargoes.

Effective Wednesday war risk rates on shipments to and from the United Kingdom and Scandinavian countries in vessels under neutral flags other than that of the United States were revised in keeping with the following announcement: "Neutral vessels proceeding to and from European ports north of Cape Finisterre shall be presumed to be calling at a belligerent port by reason of the British admiralty procedure.

"Risks in all such cases should be rated as if the vessel were scheduled to call at a belligerent port. Accordingly the 3 3/4 percent rate in section 1 and the 4 3/4 percent rate in section 2 are hereby withdrawn."

Withdrawal of the 3 3/4 percent rate from the section applying to imports and export from the United Kingdom in neutral vessels (except Italian and United States) not calling at belligerent ports, left in effect a rate of 5 percent on such shipments to and from belligerent ports; shipments to Denmark, all other Norwegian ports and Sweden not beyond Malmo, left a 5 3/4 percent rate in effect instead of the 4 3/4 rate previously allowed for vessels not calling on belligerents.

The British government, it became known Wednesday, will assume east-bound cargo risks and vessels sailing from any Atlantic port to the United Kingdom, at a 2 per cent rate, as against 5 percent charged by American underwriters. The business may be written by consignees in Britain or through American representatives of British insurance companies. For an additional 50 cents the British government will assume the "to warehouse" coverage.

Many Schools Are Marine Prospects

School days are here again! Grammar, junior high and high schools, and colleges and universities all over the country are re-opening their doors for the resumption of academic pursuits.

The opening of these doors offers an opportunity for the sale of many types of inland marine coverages such as the musical instruments, fine arts, camera,

guns, scheduled property and special floater forms.

Under the special property or special floater forms come paraphernalia, scientific instruments, R. O. T. C. equipment, projection machines, flags, exhibition trophies, athletic equipment and bandsmen's uniforms.

While most of the above would apply chiefly to high schools and colleges, projection machines and flags, trophies and athletic equipment can be found in grammar schools and junior high schools also. The special property floater, of course, is used for insurable risks for which there are no specific forms.

Band and orchestra instruments can

be covered under the musical instruments floater. These instruments can be found in all types of schools and colleges.

The gun floater can be applied to high schools and colleges that have R. O. T. C. units, and these are many. Paintings, works of art, rare books and manuscripts are covered under the fine arts policy and these are chiefly found in both high schools and colleges. Occasionally a grammar school may be a prospect for this type of coverage but such instances are rare.

All types of schools are prospects for the camera floater. The clubs and classes in photography extend not only



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to colleges and high schools but also into junior high schools. Projection machines, of course, are also covered under the camera floater, and are found in every school.

The dramatic phase of school and college life should be by no means overlooked. Great activity is always found in theater and light opera projects. Theatrical scenery and props coverage under the theatrical floater is very appropriate. All schools, even grammar schools, put on certain types of dramatic productions and no school should be without this protection.

The more swank schools sometimes have riding stables. In such instances the horse and wagon floater could be well applied.

May Add War Risk to Inland Cover

A war risk endorsement can now be added to personal jewelry, personal fur, personal effects, personal property, stamp collection, fine arts, cameras and musical

instruments floater policies for assured who are returning from abroad. However, it covers only while they are on board the overseas vessel and only on a declared trip basis. Such insurances must be bound individually and assured are charged at the current rate on date of sailing of the vessel.

It is warranted under these covers that there can be no cancellation unless the assured does not make the trip and caution should be exercised in effecting a binder for an assured unless the person authorizing the binder realizes the cost of protection, for otherwise the assured on returning may want to get the cover marked off because of the high cost.

War risk can also be written on the same floaters, confined to the United States only at an additional rate of 25 cents per \$100 which additional amount is charged on the entire amount of the policy, the following endorsement being used:

"In consideration of an additional sum of \$— this policy is extended to cover against the risk of war, invasion, hostilities, rebellion and insurrection subject to the following limitations and conditions:

(1) This endorsement does not cover any loss or damage caused by or resulting from any of the following: (a) seizure, detention or confiscation under the customs or quarantine regulations; (b) commandeering, preemption, requisition or nationalization by any government de facto or otherwise; (3) seizure, detention or confiscation by the government of the United States based on any other ship or interests or in violation of law.

(2) This endorsement shall not cover outside of the continental limits of the United States.

Any war risk outside of the United States must be submitted for binding.

MOTOR

Consider Defining "Collision" in New Standard Policy

NEW YORK — The National Automobile Underwriters Association is working on a new standard automobile policy, including fire, theft, miscellaneous perils, comprehensive coverage and collision. Proposed forms have been distributed to member companies for consideration. Whether any material changes will be made in the suggested form and when it will become effective is not indicated.

Probably the most important change from the present forms is that the proposed contract contains a definition of "collision." This has never been defined in either collision or comprehensive policies and many disputed points have arisen where the comprehensive policy was written with collision excluded or with a collision deductible. Only a few cases involving the border line between comprehensive and collision coverage have been decided by courts and old decisions on collision policies leave much ground uncovered. The first disputes under the comprehensive policy with collision excluded were about glass breakage. After the comprehensive policy had been written generally for about a year, a "special condition" was added, which specifically covered glass breakage and stated that damage caused by windstorm, hail, falling aircraft, theft, earthquake, explosion and riot should not be considered a collision. There are still many border line losses, however, particularly those involving objects falling on automobiles and collapse of garages and garage roofs. Claims of the last type arise after every heavy snowfall.

The tentative standard policy defines "collision and upset" as including impact with another vehicle, impact of two vehicles coupled together, impact with

a stationary object and overturn. Since this definition will apparently be included in all policies, it presumably would apply when the comprehensive policy is written with collision excluded. The "special condition" relating to glass breakage and windstorm and other losses has been retained in the proposed policy.

If this definition is adopted and made part of the standard policy, the troublesome losses involving garage roofs collapsing and other objects falling on cars will apparently fall under the comprehensive coverage, since collision not involving another automobile is restricted to other "stationary" objects. There have been contradictory decisions on similar points under collision policies.

Millers National Buys Illinois Fire

(CONTINUED FROM PAGE 3)

For many years the business transacted by Illinois Fire produced exceptional results—but there were years of buffeting the breakers of adversity, years of panics, wars, and conflagrations. This company has a 63-year history.

In 1903, after 10 prosperous years, Illinois Fire considerably enlarged its field of operations. But within 11 months after entering the east came the second largest fire up to that time in the history of this company, which laid waste to 80 blocks in the very heart of Baltimore. The loss to the Peoria company exceeded \$100,000, only to be followed two years later, or in 1906, by the San Francisco fire and earthquake, involving the company to the extent of nearly a half million dollars.

It was tremendously difficult for Illinois Fire at that time to arrange for the meeting of this obligation but it was done and the company came through with credit.

Millers National's history is a record of sound, steady growth for the past three quarters of a century. Millers National is in an extremely sound financial condition, with a smoothly operating nation-wide agency organization.

Illinois Fire is being launched into its new era of development with a high ratio of assets maintained as compared to its liabilities which is a feature that will always have first consideration according to a statement from the new management.

Illinois Fire, as of Dec. 31, 1938, reported assets \$499,225, premium reserve \$149,482, capital \$200,000 and net surplus \$134,026. Net premiums written were \$114,997, losses paid \$53,118, dividends to stockholders \$10,000, underwriting expenses \$76,125.

A petition and order for private sale of stock of Illinois Fire in the estate of Matthias Cremer was filed in probate court at Peoria. It provides for disposal of 1,112 shares of Illinois Fire to Millers National. The sales price was given as \$155,680, of which \$126,016 is to be paid in cash and the balance satisfied through the medium of 1,648 shares of the capital stock of the Commercial Merchants National Bank & Trust Co. at \$18 per share. The sale price of Illinois Fire is at the rate of \$140 per share. Par value is \$100.

Buck Sketches History of Western Underwriters

(CONTINUED FROM PAGE 3)

Ryon of Streator, Ill., was put in charge. The Western Underwriters Association, he said, from the inception of the parent organization has always been very much interested in the field men's work. The field men's organizations have the sympathetic support of the parent organization. He referred to the present Business Development activity. This has been a remarkable piece of constructive effort.

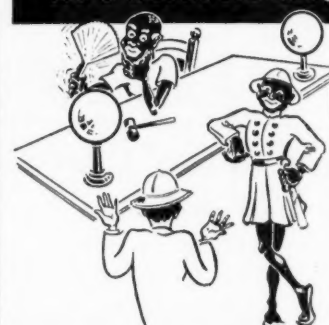
Since the organization of the National Association of Insurance Agents in Chi-

cago in 1896, and the subsequent organization of state associations, Mr. Buck said the relations of the W. U. A. with local agents are constantly improved. "I am proud to say that relations with agents in our territory are now at an all-time peak," he said. The agents in each state, he continued, have cooperated as never before in the recent program of internal education and the sales promotion sponsored by the public relations committee.

The evolution of time and the influence of conscientious organized efforts have brought about marked changes in the attitude of state officials toward the organization, he said.

He referred to the rather embarrassing subject of "excepted cities," declaring that the organization has not ultimately obtained an objective which the members sought. Five of the cities were "excepted," he said, before the organization came into being, due to the existence of a large number of local companies that were cooperating in local self government and whose operations were not of sufficient scope to justify membership in the Western Union. At least seven serious attempts, he said, were made to establish a measure of control

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in the cities. With the exception of Milwaukee, the original list of "excepted cities" has not been enlarged, despite frequent importunities from other cities.

Mr. Buck said that if the founders of this organization could accomplish what they did in the face of obstacles and public antagonism, "what is there in the interest of the public, our business and out agents that our members cannot attain if we are correct in assuming that they accept the principles for which we serve?"

Value of Membership

In conclusion, President Buck pointed out some sound reasons why he considered membership in the W. U. A. a great privilege.

1. The predecessor of the present organization made the first successful attempt at self-government in fire insurance in this country and the principles of self-regulation of the business thus established are now accorded legal and moral support in practically all states.

2. Because it was the first successful organization for self-government and orderly conduct, in its 60 years it has not only developed methods and rules, which have been of assistance to similar organizations in other sections, but it has made constructive contributions to American fire insurance as, for example, the Underwriters Laboratories, the Dean schedule, the machinery and personnel for the committee on laws of the National Board, the stamping offices.

3. It provides democratic control of the fire insurance industry, which while not perfect, nevertheless is self-governing. It has no rules or regulations except those established by its members.

4. The W. U. A. has provided the forum and machinery through which its members have established such capital stock organization services as the Western Factory, Oil Insurance Association, Underwriters Grain Association, Western Adjustment, Underwriters Adjusting, Farm Underwriters Association and the Hail Association, all of which, he added, are constructive forces in the business.

Bank Financing Is Big Factor

(CONTINUED FROM PAGE 4)

perenced a loss ratio on the line in 1938 of 55 percent, a figure considerably better than in the previous year. This improvement in the loss ratio, Mr. Mays felt, was due in considerable degree to a decrease in the road mileage, caused by economic conditions; more effective police regulations and the cumulative effective of safety campaigns by chambers of commerce, automobile clubs and other agencies.

Conclusions reached following floor discussion, were that the rate trend and commission would likely be downward.

One inquiry was as to whether a better experience would not be had on collision if the sale of the \$25 deductible policy were more aggressively pushed. Mr. Mays expressed doubt, observing that the adjustment cost is as heavy in handling small claims as when the larger deductible is concerned, and equal opportunity is offered for "padding" repair costs.

Sale of the comprehensive form of contract, Mr. Mays stated, is in keeping with the policy of the companies to broaden the scope of their contracts at a minimum of cost.

The loss ratio in automobile insurance, Mr. Mays argued, would be improved were finance companies to lend their effective aid in all road safety movements, seek to eliminate repair men making a practice of overcharging and in refusing credit to those with bad accident records.

The average property loss on cars handled through his office, Mr. Mays stated, is \$125.

Send 10 cents for Hoodoo Day accident sales campaign plans to A&H Review, 175 W. Jackson Blvd., Chicago.

Definite Information on War Risk Cover Is Released

(CONTINUED FROM PAGE 4)

Rates have been increasing and it has been advantageous for the assured to get quotations in advance of sailings once having accepted either basis of quotation, the rate charged on the shipment is the one at which it was bound and not a lower rate should rates be reduced

before sailing. The assured must make a choice and having made it he must abide by it.

War risk is being written for assured who have transportation policies which cover on coastwise steamers and intercoastal policyholders should also have war risk protection.

It is important to remember that no war risk is covered on shore prior to loading on board or after unloading from the overseas carrying vessel. In no instance has an agent authority to

bind the company on war risk without specific permission from that company.

It should be kept in mind that in war times, should a loss occur, losses are usually total. This should be brought forcefully to the attention of every assured or prospective assured.

Ploeser, Watts & Co., St. Louis, has moved its offices to the ground floor of the Landreth building at Fourth and Locust streets. Offices of the Marine Underwriters Corporation, an affiliate, also are in the new quarters.

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Palmer Releases Study of Costs

(CONTINUED FROM PAGE 4)

that should have been paid under the Chicago Board rules was 30.02 percent. The country-wide administration expense for the W. U. A. companies was 18.27 percent and the Cook county branch office expense, 11.5 percent.

For W. I. B. companies, writing 9.47 percent of all premiums, the total cost in commissions and allowances on policies written for Cook county suburban agents was 31.4 percent; for brokers, 31.07 percent; home office, employees and miscellaneous, 22.02.

On policies written by Chicago metropolitan supervising agents of W. I. B. companies the cost was 37.81 percent; Cook county suburban agents, 32.85 percent; the commission average was 32.95 percent, and the Chicago Board commission average, 26.05. The country-wide administration expense of this group of companies was 17.82 percent and the Cook county branch office expense, 15.69.

Non-affiliated Analysis

For non-affiliated companies writing 9.90 percent of the premiums, the total cost on policies written for Cook county suburban agents was 23.10 percent, policies written for brokers, 19.7 percent and policies written for home office, etc., 17.01 percent.

On policies written by Chicago metropolitan supervising agents, the total cost was 36.69 percent; by Cook county suburban agents, 26.04 percent; the commission average was 31.95 percent and the Chicago Board commission average, 29.94. The country-wide administration expense of the non-affiliated companies was 14.86 percent and Cook county branch office expense, 15.3 percent.

For all companies the total cost on policies written for Cook county suburban agents was 24.43 percent; for housed brokers, 21.4 percent; for other brokers, 23.99 percent; for home office, etc., 19.21 percent.

Administration Expense

On policies written by Chicago metropolitan supervising agents, the total cost was 37.22 percent; by Cook county suburban agents 26.1 percent; the commission average was 33.1 percent, whereas the Chicago Board commission average was 29.63 percent.

The country-wide administration expense of all companies was 17.89 percent and the Cook county branch office expense was 12.79 percent.

On policies written by Chicago metropolitan supervising agents, for Cook county suburban agents the total cost was 22.57 percent; for housed brokers it was 19.25 percent; for other brokers, 21.41 percent; for employees and miscellaneous, 19.12 percent. On policies written by Cook county suburban agents for Chicago metropolitan supervising agents, the total cost was 21.32 percent.

The commission average for Chicago metropolitan supervising agents was 20.78 percent, as compared with the Chicago Board commission average of 20.77 percent. The commission average including "assured-direct" business was 17.03 percent, as compared with 17.02 percent, the Chicago Board average.

The survey reveals that the total production cost of Chicago metropolitan supervising agents (excluding assured-direct premiums) is 31.10 percent. This is divided: Commissions, 20.74 percent; allowances .04 percent; administration expense, 10.41 percent.

The total production cost of Cook county branch offices (excluding Chicago metropolitan supervising agents' premiums) is 36.98 percent.

The agency expense of Chicago metropolitan supervising agents was 10.41 percent. The Chicago metropolitan supervising agents wrote 69.89 percent of all premiums whereas the Cook county branches wrote 30.11 percent.

On policies written by Cook county branches for Cook county suburban

agents, the total cost was 26.07 percent; for housed brokers it was 21.49 percent; for other brokers, 23.99, and for home office, employees and miscellaneous it was 19.21.

On policies written by Cook county suburban agents for Cook county branches the total cost was 26.10 percent. The commission average was 24.19 percent as compared with 21.3 percent, the Chicago Board average. The administration expense was 12.79 percent.

The total production cost of W. U. A. companies in Cook county was 51.42 percent; Western Insurance Bureau companies 50.77 percent; non-affiliated companies 46.81 percent and all companies 50.99.

There is an analysis of agency administration expense of 98 agencies, the average being 10.41 percent. There are three agencies with more than \$500,000 in premiums; three from \$400,000 to \$500,000; five from \$300,000 to \$400,000; seven from \$200,000 to \$300,000; 18 from \$100,000 to \$200,000; 23 from \$50,000 to \$100,000; 39 less than \$50,000. The agency administration expense ranges from a high of 17 percent to a low of 6.77.

Mo. State Court Hearing Set

KANSAS CITY—Judge S. A. Dew, recently appointed by the Missouri supreme court to act as special commissioner to hear testimony in the ouster proceedings of Attorney-general McKittrick against 140 fire companies in the Missouri rate case, was scheduled to conduct the hearing Thursday at Jefferson City.

Attorneys for the companies indicated that they would put in proceedings from the federal court case in which, they contend, the same issues are involved. One entire set of pleadings, answers, etc., on file in the federal case, will be submitted to Judge Dew at the hearing; the other 136 "sets" are the same.

The issue before Dew is the one of jurisdiction of the state court. The companies contend that the issues involved in the state court, principally the one of whether or not all the money collected under the 16½ percent rate increase should be returned to policyholders, already are being considered by the federal court.

Floyd Curtis has purchased the interest of L. W. Stone in the Curtis & Stone agency, Helena, Ark. The firm name will be retained for the present.

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